

EIGHT PAGES
FROM SUNDAY'S
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WEEKLY REVIEW
INSIDE TODAY

THE JERUSALEM POST

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THE DIFFERENCE

Albin may be implicated in suicide won't stop police probe

Jerusalem Post Staff
TEL AVIV. — A police investigation into the financial dealings of Michael Albin is to continue, despite his death while in custody on Saturday, police spokesman said yesterday.

Police sources said that although they had received a complaint from MK Ran Cohen (Citizens Rights Movement) about Albin's activities at Ata, the complaint and other material presented by Cohen had been passed on to the Security Authority and had nothing to do with Albin's arrest.

Sgan-Nitzav Ya'acov Grossman headed the team questioning Albin, senior police sources said. They said that the questioning was low-key and that there was no atmosphere of tension or confrontation.

They said that from the start, Albin declined to give his version of events. He was visited by his lawyer, Uri Wagman, who counselled him not to speak.

Police said they kept Albin in the lock-up Friday night, and on Saturday told him that they planned to bring him to the magistrate's court the next day to ask for his remand, to press on with their investigation.

Although by standing order suspects are not to be left alone in their cells, Albin was left unattended. Police are to conduct an internal probe to find out how this happened. The findings are to be presented to the inspector-general within a few days. But yesterday police were at pains to point out that the window from which Albin fell was small and narrow, making suicide the evident cause of his death.

"I wouldn't have left him alone," MK Micha Reiser (Likud) said on Israel TV last night. "I can imagine how he felt under questioning. He as.

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Child-stabber charged in military court

The man who allegedly slashed Jewish children and their day-care counsellor with a razor at a bus stop in Jerusalem on July 19 was charged yesterday in the Lod Military Court with belonging to an illegal organization, the IDF spokesman said yesterday.

Issa Taleb Jawa'da of Dura in the South Hebron Hills, allegedly joined the Fatah when Israel invaded Lebanon in June 1982.

After allegedly attacking the children, Jawa'da was apprehended.

Herut Central Committee ends in melee Levy: La'am vote is not valid

By JOSHUA BRILLIANT
Jerusalem Post Reporter
TEL AVIV. — In a rowdy meeting of the Herut's Party's Central Committee meeting, and with opponents shouting "No, no," the party's head, Vice Premier Shamir, rammed through a decision incorporating the La'am faction's members into the party.

But Deputy Premier David Levy told reporters, as he left the meeting, that he did not recognize the vote.

The vote was carried by a show of hands, as Shamir's voice was drowned by his opponents' din. Immediately after, Shamir closed the meeting at the Ohel Shem theatre here.

An angry Levy told the press the decision was "insignificant except that it has hurt very many members of Herut's central committee." He would not say what he planned to do, but his supporters passed the word that they would immediately meet at the Ramada Hotel here.

Behind the frenzy of the meeting was the fact that La'am's incorporation could influence the Likud's choice of candidate for prime minister, in the next elections.

Herut insiders said that many La'am members are believed to support Shamir. Some are likely to vote for Industry Minister Ariel Sharon, but very few are likely to back Levy.

According to the proposed agreement, La'am is to have 9 per cent of the seats in the party's decision-making bodies for the next year. Thus, they could well tip the scales.

Both Shamir and Sharon advocated an immediate endorsement of the agreement, which was initiated last March. They and Minister without Portfolio Moshe Arens argued that some of the La'am members are long-lost brothers-in-arms from the days of the Irgun Zva'i Leumi and the Revisionist movement; that the two parties had cooperated for years, and that the proposed move was a very important step in unifying all the various factions in the Likud into one party.

Shamir, whose speech barely carried over the hum of talking, reminded delegates that former prime minister Menachem Begin had begun the La'am unification move several years ago.

The first outburst occurred when party veteran Yohanan Bader accused Levy of concluding secret deals with the Liberal Party, offering them 36 per cent of the seats if they merged with Herut. The implication was that there was no reason for him to oppose a deal with La'am that gave them only 9 per cent.

Some of Levy's supporters protested loudly, while Levy quelled the fire by shouting "It's a lie, a lie."

Delegates rushed to the dais, shouting and refusing to let Bader continue.

One Herut member pleaded for Levy's intervention, but it was several minutes before Levy agreed to calm his followers, insisting that all his moves had been made with the party's approval and knowledge.

Levy did not oppose the deal in principle and had even endorsed it at a meeting of the party's executive. Indeed, Sharon indicated that it was



Amos Mansdorf carried Israel into the Zonal Final "B" of the Davis Cup tennis tournament yesterday when he beat Bernhard Pils of Austria in four sets in Hartberg, Austria. See story on page 6. (Andre Brutmann)

Tough steps against terror to be revived

By ASHER WALLFISH
and MICHAEL EILAN
Jerusalem Post Reporters

Administrative detention, deportation and other long-dormant measures will be revived to clamp down on terrorism and incitement in the administered areas, the cabinet decided yesterday.

The ministers decided after a six-hour debate not to make any changes in laws covering the death penalty, but asked the committee of ministers on legislation to discuss whether procedures for seeking the death penalty could be changed.

Defence Minister Rabin, the IDF, and the relevant security agencies opposed changing the laws covering the death penalty for terrorist murder, and this was understood to have been the crucial factor influencing the cabinet to retain the status quo.

The cabinet communiqué said nothing about pre-trial demolition of terror suspects' homes; but security experts advised the cabinet that this punishment, as well as detention without trial and deportation without trial, were the most effective deterrents. The death penalty, experts advised, would be counterproductive and should be avoided as far as possible.

Tourism Minister Avraham Shari and Minister without Portfolio Yigal Hurvitz were the most ardent advocates of the death penalty for murder, followed by Vice Premier Shamir, Minister without Portfolio Moshe Arens and Transport Minister Haim Corfu. They argued that the death penalty is the most effective deterrent because it is the ultimate one.

Four Alignment ministers opposed having the committee of

ministers on legislation discuss whether procedures involving the death penalty should be reviewed. They were Absorption Minister Ya'acov Tsur, Economics Minister Gad Ya'acobi, Health Minister Mordechai Gur and Minister without Portfolio Ezer Weizman.

Tsur said the government should not give way to the illusion that the only way to solve the terror problem is by clamping down. Nor should it leave itself open to pressures, fuelled by "public hysteria," after terrorist murders, Tsur said.

The cabinet decision said that administrative detentions would be carried out on security grounds, according to the existing legislation (which dates back to the pre-state British Mandate emergency regulations). The security grounds, it is assumed, will cover incitement to violate law and order as well as incitement to hostile operations.

After a trial period, the cabinet said, there would be a review to see whether the existing procedure should be altered. Under this procedure, all detentions, which are without trial, have to be reviewed by a judge every six months.

The cabinet decision said that "persons constituting a security risk" would be deported. This measure is expected to be applied mainly to West Bank Arabs in student, professional and municipal groups, ranging from trade unionists to lawyers to members of student union executives.

Procedure for deportation would not be altered, the cabinet communiqué said, but the cabinet took note of the state prosecutor's announcement that it will do all in its power to accelerate the legal procedures.

(Continued on Page 2, Col. 4)

The strange case of Jerusalem's Austrian Hospice

By MICHAEL EILAN
Post Diplomatic Reporter

Rumours alleging the disappearance of the Austrian matron of the 4-closed Hospice hospital in the old city of Jerusalem have led Yoram Teddy Kollek to say that one people and politicians in Austria apparently live in an atmosphere of the 1930s.

According to City Hall, officials in Jerusalem were told of rumours circulating in Vienna that matron Hildegard had been "taken away by ael stormtroopers," shortly after hospital was closed two weeks ago. According to these rumours, Hildegard's daughter had been trying successfully to get in touch with

her mother since she was "taken away."

In fact, Hildegard is alive and well, according to Father Immanuel, a Benedictine priest at the Dormition Abbey on Mt. Zion. She asked Father Immanuel for shelter because the atmosphere in the Hospice was very difficult after the closure. He placed her in the Notre Dame hospice, where she stayed till Friday.

If a letter to Kollek she says that her daughter was not looking for her, as the reports in Vienna alleged, according to municipal officials. She said she was deeply "shamed" by the whole story.

Her daughter, whom she subsequently contacted, said, according to

Gudner, that the rumours were "astonishing" and she did not even hear about them till her mother contacted her, the officials said.

Sources in Jerusalem said the rumours are part of a campaign of duplicity, in which elements in the Austrian government and church have tried to regain control of the Hospice building while claiming at the same time that they wished the hospital to stay open to take care of the poor in the Old City.

Leading the campaign to get control of the building was Cardinal Franz Koenig of Vienna. On numerous occasions the Cardinal asked Kollek to help get the hospital out, so that the building on the Via

Dolores could be turned into a hotel for pilgrims.

Koenig publicly admitted his interest in regaining control of the building, which is Austrian Church property, in an interview with a Catholic news agency that was monitored by the Foreign Ministry in Jerusalem. In this interview, Koenig said the church wanted the building back, and he thanked the Jerusalem municipality for the health services it has given to the needy in Jerusalem.

But at the same time, Jordan's minister for the occupied territories, Taher Kan'an said, according to a Reuters report from Amman yesterday that Cardinal Koenig had promised that the building on the Via

(Continued on Page 2, Col. 6)

Largest-ever U.S.-Egyptian war games begin

WASHINGTON (AP). — The largest U.S. military exercise ever staged in the Middle East opened yesterday despite strong criticism from neighboring Libya about Egypt's cooperation with "U.S. imperialism."

The Egyptian Information Ministry confirmed that the exercise, right Star '85," had begun on schedule. About 9,000 U.S. troops will take part in the Egyptian phase, main portion of the exercise.

Smaller numbers of U.S. troops also conduct exercises in Jordan and Somalia. Pentagon sources in Washington said a smaller number

of Americans will also be training in Oman, at the mouth of the Persian Gulf, but no formal announcement was made because Oman is anxious to downplay its military links with the U.S.

The actual maneuver phase of the Egyptian portion opens today with an amphibious landing by Egyptian troops and U.S. Marines on a Mediterranean beach west of Alexandria.

Egyptian military spokesman Col. Hassan Manish said the maneuvers would also include a mock para-trooper attack by troops from the

two countries and a live-fire exercise involving tanks, artillery, infantry and air-to-ground missiles.

Pro-Soviet Ethiopia and Libya have condemned the exercise, claiming it is heightening tensions in the region. Libya's news agency quoted former Egyptian Army chief of staff Gen. Sa'ad Eddin Shazli, who now lives in Libya, as saying the maneuvers were a provocation against "progressive states" and designed to gather intelligence on the Egyptian Army.

Egyptian officials, also sensitive of military ties to the U.S. at a time

when U.S. prestige in the region is low, have refused to disclose the total number of troops from both nations involved in the week-long exercise.

A Pentagon spokesman in Washington said about 9,000 U.S. troops would be taking part in the Egyptian phase while about 520 Americans would be involved in the Jordanian portion.

Somali officials refused to say how many U.S. troops were participating there and would give no details on the length or location of the exercise.

Huge 'peace ribbons' girdle Pentagon, Hiroshima 'Dome'

WASHINGTON (AP). — Weary of apions that could destroy the old, thousands of demonstrators yesterday encircled the Pentagon and other capital landmarks with a colorful "peace ribbon" of 24,000 handmade tapestries with one message: *Ban the Bomb*.

About 50,000 people were expected to help stretch the 24km. ribbon from the Pentagon to Capitol Hill.

At the Pentagon, where police estimated 12,000 people had helped surround the giant building with the ribbon, demonstrators sang, "All we are saying is give peace a chance."

If not the biggest, it was perhaps the most novel, and aesthetically eye-catching, anti-war demonstration in Washington since the atomic age began 40 years ago with the bombing of Hiroshima to end World War Two.

Professional and amateur craftsmen — working individually or in groups in social centres and church basements in 50 states and more than a dozen countries — sewed anti-war messages onto yard-long cloth panels.

Festive demonstrators fanned out with the panels and strips of gaily coloured ribbon to partly encircle the Pentagon, a district of Washington containing the White House and Lincoln Memorial and another section of town dominated by the Capitol.

The goal was to wrap the three areas with a 24km. line of tapestries and ribbons, leaving gaps for traffic.

Hours before, half-way across the world in Hiroshima, about 100 children and adults wrapped a ribbon made of 300 small banners around the A-Bomb Dome, the former industrial production hall that now stands as a shell at Hiroshima's ground zero.

The banners were all made in Japan to illustrate what could be lost in another nuclear war.

Mrs June Thompson, a peace activist from Redwood City, California, and one of the ribbon coordinators, said in Hiroshima that her sister, Justine Merritt, thought three years ago of collecting drawings from people around the world and the response was so great that the project "grew without organization."

The idea spread to Japan last fall when a Japanese woman, Mari Kitabatake, read about the idea and sought to supervise creation of a ribbon to circle the Dome, Hiroshima's monument to atomic destruction. (See story on page 4)

CBS RECORDS ISRAEL IS PROUD TO WELCOME THEIR ARTISTS

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ON THEIR 1985 ISRAEL TOUR

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THE JERUSALEM POST

Two policemen injured in petrol-bomb fire

A petrol bomb was hurled at a Border Police patrol near the Ein al-Alma refugee camp outside Nablus last night, military sources reported. Two policemen were injured when the vehicle caught fire. A curfew was imposed on the area.

Jordan scores deportation without trial

AMMAN (AP). — Jordan's Information Minister Mohammed Khatib said yesterday that Israel's decision to reinstate deportations of Palestinians without trial violates international law and human rights.

"We consider this a part of Israel's long, long policy to leave the

land empty of (Arab) citizens," Khatib said in a telephone interview. "We reject it completely."

Khatib said Israel had violated "all international laws and rights" by changing laws and land patterns in the territories and by expelling "people they didn't like."

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The weather at major Swissair destinations

	A.R.S.	MIN.	MAX.	
AMSTERDAM	14	17	19	Cloudy
BRUSSELS	14	17	19	Cloudy
CHICAGO	18	27	31	Cloudy
COLOGNE	14	17	19	Cloudy
FRANKFURT	14	17	19	Cloudy
GENEVA	14	17	19	Cloudy
HELSINKI	14	17	19	Cloudy
HONG KONG	27	31	34	Clear
KANSAS CITY	14	17	19	Cloudy
LONDON	14	17	19	Cloudy
MADRID	14	17	19	Cloudy
MONTREAL	14	17	19	Cloudy
NEW YORK	14	17	19	Cloudy
PARIS	14	17	19	Cloudy
SAO PAULO	14	17	19	Cloudy
STOCKHOLM	14	17	19	Cloudy
TOKYO	27	31	34	Clear
VIENNA	14	17	19	Cloudy
ZURICH	14	17	19	Cloudy

*For the latest weather conditions contact Swissair.

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THE WEATHER

	Yesterday's	Yesterday's	Today's
	Humidity	Min-Max	Min-Max
Jerusalem	30	18-32	31
Golan	40	17-33	32
Safed	38	22-33	31
Haifa Port	67	25-30	30
Tiberias	33	22-38	37
Nazareth	42	20-32	31
Afula	48	21-34	33
Sharon	46	20-33	32
Tel Aviv	67	14-31	30
B-G Airport	70	22-31	31
Jericho	20	22-40	39
Gaza	76	22-29	28
Beer Sheva	27	15-36	33
Eilat	8	24-43	42

SOCIAL & PERSONAL

Outgoing Israel ambassador to Liberia, Gavriel Gavriel, has been made a Knight Commander of the Humane Order of African Redemption by Liberia's President Samuel Doe. The distinction was conferred on Gavriel by Foreign Minister T. Ezeron Eastman in a ceremony in Monrovia recently.

ARRIVALS

Emmanah National President Beverly Segal, USA; Guggi Grahame, Great Britain; Renee Berliner, Belgium; Hilda Langbehn, Switzerland; Judy Moritz, South Africa; Elaine Bloch, Australia; Rosa Simons, Argentina; Toly Schwarzbar, Uruguay; Rebecca Kumer, Brazil; Lillian Schenckman, Sweden for World Emmanah Convention.

Train in Friday's crash did not speed

By DAVID RUDGE
Jerusalem Post Reporter

HAIFA. — Examination of the "black box" (speed recorder) from the train involved in the fatal collision at the level crossing near Moshav Berekot on Friday reveals that the train driver was not speeding.

Israel Railways deputy general-manager David Guy said the recorder showed the train had been travelling at 70 kilometres an hour at the time of the accident — 10 kilometres an hour less than the maximum permitted on this stretch of line.

Guy said that this evidence, together with the findings of the Railways inquiry into the accident, shows that the train driver was in no way to blame. The man, a 55-year-old resident of Haifa, returned to work yesterday.

According to Guy, the flashing red warning light and the alarm bell at the crossing, both of which were in working order, are adequate for this type of road-rail junction.

Non-partisan ad condemns 'all terror'

An advertisement condemning "all terrorism regardless of who the perpetrators are" and calling for "full civic equality for all" appeared in yesterday's *Ha'aretz* newspaper over the signatures of 100 Israelis from all religious, ethnic, national and political groups.

Among other things, the ad calls on the public to fight "for the supremacy of law in all situations, without favour, as befits a properly governed state."

It invites the public to add their signatures to the declaration.

The 100 signers include 31 Arab Christians and Moslems and Druze, among them Knesset members, mayors and writers. Among the 69 Jewish signers are Likud Knesset Members Dan Meridor, Ehud Olmert, Uzi Landau and Dan Tichon; Rabbi Yehuda Amital, head of the Har Etzion Hesder Yeshiva at Alon Shvut in the Etzion Bloc; Bar-Ilan University Chancellor Rabbi Professor Emanuel Rackman; Tiberias Mayor Yigal Bibi; and Alignment MK Benjamin Ben-Eliezer, former coordinator of government activities in the administered areas.

ALEX KLEIN

Anyone knowing the whereabouts of Alex Klein, also known as SHIMON KLEIN, formerly of Sydney, Australia, should request him to contact his home, as his mother is gravely ill. Alternatively, he should contact McKinnon and Associates, Solicitors, 40 Phillip Street, Sydney, Australia, 1. 221-1088 (reversing the charges); telex AA22144.

HOME AND WORLD NEWS

Histadrut to instruct employers: 'Emergency decrees are void'

By ROY ISACOWITZ
Jerusalem Post Reporter

TEL AVIV. — The Histadrut intends instructing all the country's employers that the government's emergency decrees are not in force and that the existing labour agreements must be adhered to in their entirety.

The instruction will relate particularly to dismissal procedures and the adjustment of wage supplements to keep up with inflation — the two issues that have been at the centre of the disputes between the government and the Histadrut for the past several weeks.

Histadrut sources stressed last night that in the labour federation's

view all labour issues — such as requests for grade rises — must be dealt with between workers and their employers in terms of the existing labour agreements.

The Histadrut central committee decided yesterday to issue its unilateral instruction after hearing a review by Secretary-General Yisrael Kassar of his meetings last week with Prime Minister Peres and other government officials.

Both Kassar and Trade Union Department Chairman Haim Haberfeld reiterated that the Histadrut opposed the dismissal of workers. Haberfeld revealed that the Histadrut had rejected a demand that it agree to the waiving of a stage

in the dismissal process during which the trade unions have the right to table alternative proposals.

Another demand rejected by the Histadrut was that it approve the suspension of the labour agreements until March next year, Haberfeld said.

Clerical Workers Union Secretary Eliahu Reiff stressed that the Histadrut and the unions would not agree to shorten the dismissal process in return for the government's agreement to adjust wage supplements. Statements after last week's summit meeting, including a statement by Kassar, indicated that the Histadrut had in fact agreed to such a deal.

Number of job seekers rises by nearly 13 per cent

By ILAN CHAIM
Jerusalem Post Reporter

The number of job-seekers applying to labour exchanges last month leaped by nearly 13 per cent over June, offering at least preliminary confirmation of last week's prediction by Labour Minister Moshe Katsav that unemployment might grow by 50 per cent by the end of the year.

In July 44,638 people applied for jobs, according to the State Employment Service, up from 39,500 the previous month. Of this total, the number of those unemployed for six days or more also increased in July to 19,256, compared to 16,425 in June, indicating a 17 per cent leap in the

number of "hard-core" unemployed.

Nevertheless, 3,077 people refused jobs last month, thereby foregoing unemployment compensation. The left-over job offers were transferred to labour exchanges in Judea, Samaria and the Gaza District.

The largest percentage increase in registered unemployed last month was the Haifa area's 34 per cent leap from 3,144 in June to 4,220. The Tel Aviv area registered an 18 per cent jump, from 1,027 to 1,209, the Jezreel Valley rose 11 per cent from 1,478 to 1,637, and the Beersheba area climbed 10 per cent, from 1,404 to 1,547.

Insurance cartel abolished

The country's 52 insurance companies have 60 days to abolish their cartel, set up five years ago by approval of the Cartels Council.

By no later than that deadline, the insurance companies will be free to compete with each other in the terms they offer to prospective clients.

The High Court of Justice ordered this yesterday in unanimously making an absolute order nisi requested by the Israel Consumers Council against the Cartels Council and the Insurance Companies Association. The court also ordered the associa-

tion to pay the council IS3 million in costs.

Until now, the association was able to dictate to its members lines of action regarding insurance plans, conditions, premiums, etc., in all areas except life insurance.

The court ruled that this arrangement was not necessarily "for the general good."

The ruling was handed down by High Court Deputy President Miriam Ben-Porath, with President Meir Shamgar and Justice Shoshanna Netanyahu concurring. (Tim)

LEVY-LA'AM

(Continued from Page One)

Levy who had convinced him to support the move.

Levy argued that the decision must be taken at a Party convention — and not by the executive. The last convention was held in 1979, the next is to be held before the end of this year.

"If the convention is held in three months, what will we lose by deferring the debate?" he asked.

One member shouted that Sharon's list, Shlomozion, had been incorporated following a central committee decision.

But Levy insisted "there are still points to be clarified." He maintained that central committee members must also be given an opportunity to express their views.

The row followed Arens's call for an early vote. By that time Shamir, Sharon and Arens had all spoken in favour of the incorporation and only Levy — who was given the floor in the middle of that session — had come out against it.

Delegates, mostly in their 20s and 30s, rushed to the dais, even jumping up on it. One, Robert Samuel, grabbed a microphone and harangued against "grabbing votes."

"It is inconceivable that a party which can't raise even 80 voters should be granted 9 per cent of the seats," he shouted.

Another delegate made an impassioned plea for party unity. "I love all ministers," he shouted into the microphone.

Shamir walked over and kissed the bearded man, as committee chair-

man Avraham Shechtermann called for a vote.

But Levy's supporters foiled the attempt. Running up to the podium table, a man who declined to be identified produced a pink voting card. He said he had been given it — although he was not a central committee member.

Other members produced their membership cards, complaining that they had been denied voting cards. Some said they had seen voting cards being distributed, but a secretary insisted that this was impossible.

Delegates demanded a secret vote on a roll-call. One told Shechtermann they had presented the necessary signatures for a secret ballot. But this was not to be.

As Levy pleaded through one microphone that some members had not received voting cards, Shamir shouted at another microphone that it was the first time the Central Committee had been unable to get a vote. He called for a show of hands on whether to continue the debate or vote on the proposal immediately.

An overwhelming majority supported an immediate vote.

Barely audible over the din, Shamir called for a show of hands. The vote was over in seconds. Shamir banged his gavel. Levy made a belittling sign with his hand.

On the platform, Samuel appeared poised to attack Shamir. An eyewitness heard Deputy Foreign Minister Ronnie Milo remonstrate with Samuel who then turned on Milo, as a number of delegates held him back.

98-year-old man held in fatal fight

By DAVID RUDGE
Jerusalem Post Reporter

HAIFA. — A 98-year-old man was arrested by police yesterday on suspicion of causing the death of another man — age 75 — in Hadera.

The two had a fight in the town's market at midday until they were pulled apart by shoppers.

A few minutes later while they were walking away from the scene, the fight broke out again until a passerby intervened.

Shortly afterwards the 76-year-old, identified as Azia Menasherv of Or Akiva, collapsed in the street unconscious.

Police and the crew of an intensive-care ambulance tried to revive him. The man was later taken to the Hillel Yoffe hospital in Hadera where he was pronounced dead.

Price of petrol may be lowered

Energy Minister Moshe Shahal has asked petrol authority officials to check whether prices to the consumer could be lowered. Shahal's instruction came following a world-wide reduction in oil prices.

An Energy Ministry spokesman also said yesterday that last month consumption of petrol by motorists was down 3.4 per cent compared with July 1984.

Police later picked up the 98-year-old suspect, a resident of Pardess Hanna, and he remained in custody last night but under medical supervision.

A police spokesman said the suspect will remain in custody until police complete their inquiries or unless doctors order otherwise. Police are trying to ascertain whether Menasherv's death was a result of the fight between the two or because of poor health.

They are also trying to establish the relationship between the two men and the cause of their dispute. It was said last night that police were experiencing difficulties in interviewing the suspect.

TOUGH STEPS

(Continued from Page One)

Those named for deportation will continue to have the right to appeal to the High Court of Justice in Jerusalem. It is understood, there is no inclination on the part of the High Court to telescope any of the steps involved. In the past, delays were sometimes caused by the security agencies and the public prosecution taking inordinate time to prepare their brief for the High Court hearings.

The deportation procedures will also be reviewed after a trial period, the communiqué said.

Whereas the ministers voted unanimously on the majority of the measures to punish and deter hostile acts, the longest debate centred on the imposition of the death penalty.

Prime Minister Peres suggested that in each murder case involving terrorists in military courts, the military prosecution should consult with the ministers of defence and justice, and seek their advice as to whether or not to ask the bench for the death penalty.

During the discussion on the other measures, Shamir said steps should be taken to curtail the discretion of the High Court in deportation proceedings.

Hurvitz said the government should warn Arabs of the areas that if they are not prepared to live at peace with Israel, they will be forced to suffer the consequences, including deportation.

Communications Minister Amnon Rubinstein said talk like that would lead to Israel being banished from the community of nations.

Industry Minister Ariel Sharon repeated the proposals he outlined last week to the Likud Knesset faction on fighting terror, which were a copy of the proposals published simultaneously by the Judea and Samaria settlement council.

Two other decisions taken by the cabinet were to enlarge detention facilities in the areas and to act against inciters by closing Arab newspapers which violate military censorship.

In another development affecting the Israeli media, orders were given yesterday to close the Prime Minister's Office forecourt to journalists during and immediately after cabinet meetings, to prevent reporters from pouncing on ministers or getting notes from inside via ministers, aides and chauffeurs during deliberations.

CONFERENCE. — Nine hundred Jewish scholars, including 400 from some 30 foreign countries, are expected to congregate this afternoon at the Hebrew University amphitheatre on Mount Scopus for the official opening of the Ninth World Conference of Jewish Studies.

Albin's activities.

"The inquiries may well open a Pandora's box, but for us it will not make any difference. If the inquiry had been conducted before the crisis in the company broke in the autumn of 1984, it could have helped, but now it is too late," he said.

ALBIN PROBE

(Continued from Page One)

simply wasn't used to such a situation.

Robert Rosenberg adds: Other sources described the Albin investigation as "the opening of a Pandora's box" that may have long-term effects on the Eisenberg financial empire, and possibly on the Liberal party to which Albin was connected.

The *Jerusalem Post* has learned that investigators may question other members, past and present, of the Eisenberg financial and industrial empire.

The police may also seek documents at the Industry Ministry, from the period when Liberal party minister Gideon Patt was at its head.

The ministry was responsible for guaranteeing that a \$10m. government investment in Ata, during Albin's stewardship of the firm, would be used to buy new equipment. No new equipment was bought.

The inquiry may also reach into the Tel Aviv stock market, seeking answers to questions about alleged wide-scale share price manipulation during the early 1980s. Some share values at that time doubled, tripled and quadrupled — while Ata's leapt by 25 times.

During last year's election campaign, senior Labour Party candidates, including Prime Minister Peres, regularly referred to the "milking of Ata" by "Liberal party henchmen" and "international financiers."

Sarah Honig adds: Yesterday in Liberal circles all denied that Albin may have channelled funds illegally to any group within the party. Despite the open hostility between the factions these days, no one would so much as intimate that the rival faction may have had shady dealings with Albin.

In fact, Albin won nothing but praise from members of all factions of the party.

Liberal MK Benny Shalit yesterday called for a probe into police investigative methods. Shalit himself was investigated by the police for three years until charges were dropped. He said police use emotional and psychological pressures to break suspects.

David Rudge adds: Many Ata employees in Haifa believe Albin was at least partially responsible for bringing the textile firm to its present sad plight.

U.S. envoy in Egypt, due to see Mubarak

CAIRO (Reuters). — U.S. Deputy Secretary of State John Whitehead arrived in Cairo from Amman yesterday on the second leg of his Middle East familiarization tour.

The newly appointed official is due to meet President Mubarak in Alexandria before returning to Cairo for talks with Prime Minister Kamal Hassan Ali and Foreign Minister Esmat Abdel-Maguid.

Whitehead declined to answer questions on the outcome of his talks with Jordanian officials on a proposed meeting between a Jordanian, Palestinian delegation and U.S. officials about peace negotiations with Israel.

In other developments, the Algerian Foreign Ministry said yesterday Algeria would not attend the special Arab summit due to open on Wednesday in Casablanca.

Algeria is the fifth Arab state to boycott the summit after Syria, South Yemen, Libya and Lebanon. Sixteen countries have agreed to attend.

HOSPICE

Officials at the Austrian Embassy in Tel Aviv were not available for comment last night.

The Health Ministry has decided to postpone opening a first-aid station in the Hospice out of fears its personnel would be "attacked by hostile elements," the ministry announced yesterday.

The ministry had planned to open a 24-hour-a-day first-aid station in part of the Hospice building last Thursday, to be staffed by 14 former Hospice workers, all residents of East Jerusalem.

After meeting several times with security officials, ministry Director-General Dan Michaeli decided to delay opening the first-aid station until Sunday, "on condition the situation allows for the maximum security of the medical staff."

In the meantime, the first-aid workers are undergoing advanced training in resuscitation techniques and emergency care at a Magen David Adom branch in the capital.

East Jerusalem and Old City residents requiring urgent medical care are advised to go directly to the emergency room at Hadassah Hospital on Mt. Scopus or the Kupat Holim Clalit clinics in Sheikh Jarrah or Wadi Joz.

A social worker is to be on call at Hadassah-Scopus to assist residents in arranging medical insurance or other means of paying for treatment. Michaeli yesterday directed all Jerusalem hospitals to accept any East Jerusalem resident for treatment even without the required medical insurance, until further notice.

Consumer imports nosedive in July

By AVI TEMKIN
Post Economic Reporter

Imports of durable consumer goods plummeted last month, by over 90 per cent in some cases, figures released yesterday by the Finance Ministry showed.

Last month 1,619 private cars were imported, as compared to 9,108 cars imported in July 1984, an 82 per cent drop. In the last four months the number of private cars imported totalled 12,855, 45 per cent

less than in April-July 1984.

Colour TV sets, once the "hit" of durable consumer imports, were hardly imported last month. A total of 901 sets was imported, 93 per cent less than in July 1984. The number of sets imported in June was 743.

The import of almost all other durable consumer items, such as videos, refrigerators, and washing machines, registered a similar drop of 80 to 90 per cent compared to July 1984.

Mrs. CLAIRE SCHONLANK

(née Wechsler)
passed away peacefully.

The funeral will leave today, August 5, at 1 p.m., from the Sanhedria Funeral Parlour for the Har Hamenuhot Cemetery.

Family and friends

Reb MEIR KRAUS

(Majestic) son of Reb Yisrael 577, (of Solos) Bnei Brak, former head of the Adat Israel community in Sydney, Australia. The coffin will arrive on Lufthansa flight 604 on Monday, August 5, 1985, at 3.15 p.m. The burial will take place at 8 p.m. on Monday, August 5, 1985, at the Segula cemetery in Petah Tikva.

Bitterly mourned by:
Wife: Mandy (Maggie)
Son and daughter-in-law: Yisroel Hersh and Sarah Kraus, Bnei Brak
Daughter and son-in-law: Shimon and Eva Bineth, Ramat Gan
Brother: Mandy Kraus, New Jersey, USA
Sister: Agi Hancs, Sydney, Australia
Mother-in-law: Helen Reiss, Sydney, Australia
Grandchildren: Elhan-Chaim, Shelley-Esther, Aviva, Ramat Gan
Bus transport to the funeral at 7.20 p.m. from Hanichel Hayeshivot Synagogue, 50 Rehov Yohanan Ben Zakai, Bnei Brak. Shiva at 10 Atarot St., Bnei Brak.

THE ASSOCIATION FOR WELFARE OF ISRAEL'S SOLDIERS

Deeply mourns the passing of

WALLY HOCHSTADTER

in Johannesburg, South Africa.

Past National Chairman of the A.W.I.S. in South Africa and a great friend of Israel.

Deepest sympathy to Denise and Family.

The House of Ulpan Akiva

is in mourning for its beloved teacher

DAVID LERNER

He was for all of us an image of light.

Our dear MIRIAM DUBI

has left us.

Her Friends

DANIEL ORON

our deepest sympathy on the death of

Kulmbacher Spinnerei Kulmbach

Erwin and Gerda Kapellner (née Fraenkel), Haifa
Yoram Kedem and family, Rehovot
Dorit Rogel and family, Ra'anana

To the Oron families and the "Gall" Sports Company

סניף מרכזי

Ferns for the home garden

FERNS are favourite house plants, which can be kept permanently without losing their attractive appearance. All need plenty of water, and a shady location. Many beautiful ferns can be cultivated with success in a corner of a room where few other plants would thrive. They can also be grown outdoors in containers or in the garden where they need a wind-protected spot, shaded by shrubs or trees.

Ferns are becoming more and more popular in Israel, whether used as background plants in the flowering border, or, potted in larger containers as major focal points in the garden. There are practically no florists in the country without ferns. Most ferns are offered in hanging baskets, and you may find them today in abundance. Ferns are also seen refreshing and decorating bank offices, department stores, hotel lobbies, etc.

Ferns are perennial evergreens which demand relatively little attention and are easier to grow than many other house and garden plants.

History. Ferns were thriving on this globe long before the appearance of animals and human beings. Fossil ferns, some big as high trees, have been found in rocks and layers of coal. These are among the earliest species in the line of plant development, coming right after algae, mosses and mushrooms. Before dinosaurs roamed the earth, these early plants were well established.

Like mushrooms they also multiply by spores, which appear in brown capsules at the under side of the leaves. There are about 10,000 species of ferns.

Although predominantly tropical, they are found throughout the world and show great diversity. Some, like *Adiantum capillus veneris* (maidenhair fern, *searot shulamit* in Hebrew) and *Pteris cretica* (ribbon fern, *"evra"*) grow wild in Israel. They can be found in caves and moist ravines, shaded by close growing shrubs and trees.

Requirements. Ferns delight in moist and shady positions. Each fern, when grown in the garden develops rhizome-like roots, which produce more plants in every season. The best and quickest way to propagate ferns is by division in spring, when they start into fresh growth. A suitable growing medium for ferns is two thirds loamy soil and one third peat with a slight sand or vermiculite addition. Since most ferns belong to the group of acidity-loving plants, more peat should be added sporadically during their growing season. Some professional gardeners also use additions of crushed charcoal.

During the winter months ferns require a good deal less water, for they make little or no growth at that period. I used peat as a mulch material successfully against winter frost, and to balance our tiny tap water. Many ferns look rather shabby in the spring, and when they are being divided and repotted either in a container or replanted in the garden, the opportunity should be taken to

cut off old, dry and worthless fronds. If you put the movable re-potted ferns into a warmer position for a few weeks, they will soon begin to grow afresh and produce new light-green branches, some time earlier than the ferns in the garden beds.

Ferns, usually form a compact mass of roots and the best way of dividing them is to cut right through the ball of soil and roots, separating it into two or more parts. The separated pieces will soon develop into good plants. It is essential that ferns should be well watered before they are replanted; otherwise it will be difficult to get the roots moist. Fill a bucket with water (10 cm. high) and soak the divided pieces of the root ball for half an hour before you transfer them to their final destination.

During hot summers ferns should be watered daily. A good spray with tap water will also help to create a moist atmosphere. Ferns don't need much shade between October and February. This is important for potted ferns, which can be transferred to sunny windowsills during that period.

Propagation by spores. Ferns can also be multiplied by their spores, but this takes much more time than division. Put a sheet of white paper underneath the larger fronds to catch the ripe minute spores when they fall. They should be sown in a germination box filled with a mixture of sand or vermiculite and sieved peat. (50:50). The medium should be levelled carefully and soaked to capacity by using a watering can with a rosette. When the water has drained away, the spores should be scattered on the surface. Cover the seedbox with glass or transparent plastic and open for air and watering once a day. Water with a hand sprayer only. When the tender fern seedlings will reach a height of 8-10 cm., they can be lifted with a small kitchen fork and replanted wherever you want them to grow.

GARDENER'S CORNER

Walter Frankl



Underside of a fern showing kidney-shaped spores

ture of sand or vermiculite and sieved peat. (50:50). The medium should be levelled carefully and soaked to capacity by using a watering can with a rosette. When the water has drained away, the spores should be scattered on the surface. Cover the seedbox with glass or transparent plastic and open for air and watering once a day. Water with a hand sprayer only. When the tender fern seedlings will reach a height of 8-10 cm., they can be lifted with a small kitchen fork and replanted wherever you want them to grow.

Ferns for hanging baskets. Ferns in hanging baskets are very attractive when well grown. The best way for a successful growth is a good drainage with a layer of large Tuff Hagolan pebbles to prevent the soil mixture from falling through.

A good way to water ferns in hanging baskets is to take them down and immerse them for a few minutes in a bucket filled with water. Make sure that the water reaches the roots. Baskets should be watered more frequently than containers and garden beds because they dry out quicker in high temperature. In winter a daily spray with tap water will be sufficient. This is especially important for ferns in heated rooms.

Ferns for flower arrangements. Fern fronds can be used for flower arrangements. They are very beautiful in spring when the fresh, light-green fronds have unfurled and in

summer when their rich greenery is of cool and refreshing appearance and forms a strong contrast with the colours of the flowers.

YOU CAN FIND many kinds of ferns on the shelves of our florists during all seasons of the year. Here is a description of the most popular ones.

Maidenhair ferns (*Adiantum, searot shulamit*) have simple, undivided leaves, in contrast to most of other species which show their characteristic dissected ones. *Adiantum* is one of the finest and very decorative ferns for indoor use. If properly grown, it can be kept alive for years. Many people see and buy this little graceful fern and enjoy its beauty for some time. Then, when the foliage of this plant suddenly becomes ugly and the stems bend down, yellowing and wilting, many amateur gardeners believe they failed to keep this expensive plant alive, and when it seems to die, they disappointedly discard it.

But they should know that the yellowing is a sign of maturity and the plant needs a rest. At this time, all leaves, old and young, should be cut off, and water should be withheld for three weeks, or until the first new leaves begin to sprout. When this occurs, the plant should be turned out of the pot. If it is full of roots, it needs re-potting. It can be either re-planted now in a larger container filled with new "fern-soil," or the

bottom half of the rootball can be cut away and the plant may be re-set then on new soil in the same size pot. After re-potting, the plant should be thoroughly watered.

Platycentrum alaicorne, staghorn fern, *platikeryon* in Hebrew) is kept in Europe and America as a humorous and exotic substitute for the stuffed stag's head on the wall. In its natural habitat in tropical Africa, Malaya and Australia this fern grows like other epiphytes on jungle tree trunks. Our nurseries offer staghorn ferns in hanging baskets. This fern grows best in a medium of pure peat moss with a 5 per cent compost addition.

Asplenium nidus (bird's nest fern, *asplenion* in Hebrew), comes from the New Zealandian tropics. It has tough, glossy, green leaves which form a nest-like rosette at the base. *Asplenium nidus* likes a humid atmosphere in spring and summer. In winter the temperature should not fall below 13°C. Water freely in summer and feed with a weak solution of fertilizer fortnightly from March to August.

Neprolepis exaltata (sword fern, *Boston fern, kilvan* in Hebrew), is very common in Israel as an indoor house plant as well as an outdoor garden decoration. It looks at its best in hanging basket. Here you have an evergreen plant for shade. If protected from summer draughts it can live 12 years or more, reach a height of 60-70 cm. and multiply freely in a moist, shaded or half-shaded spot. The feathery, arching or spiralling fronds, which vary in colour from pale to bright green, are an attraction to every home or garden.

CONFLICT AND SISTERHOOD

By NAOMI ABRAMOWITZ / Special to The Jerusalem Post

THE NAIROBI women's conference was an exciting opportunity for women to meet, exchange ideas, interact, argue, grieve, sing and dance together. It was also a vehicle for political confrontation, propaganda, lies and hate.

As Jews and Israelis, many of us went with hopes of initiating dialogue with our Arab sisters, and we were rebuffed. There were many with memories of the Holocaust who found the attacks painful.

Conflict was all about us, but this wasn't the total picture, although it was the part emphasized by the media. For me, meeting African professional women - with their strength, friendship and intelligence - was one of the highlights of the conference. The exchange of knowledge added enormously to my professional development.

And then Kenya is a fantastic country. The Kenyans have dignity and intelligence, and they are truly friends of Israel.

I went to the Forum as one of the representatives of the Israel Association of University Women. My expertise is in mental health, clinical social work and children. In the past few years, I have become increasingly involved in developing "women's content" in the social work curriculum. At any given time, one had a choice of about 50 workshops to attend, plus cultural events and a women's film festival. A good portion of these workshops became politicized, but not all of them.

The Palestinians tended to monitor most workshops sponsored by Jewish groups, even those that were non-political. For instance, a session on community health programmes sponsored by Hadassah was interrupted by Palestinian accusations.

We also monitored all workshops sponsored by pro-Arab groups, or

by supposedly neutral groups, where they would have an opportunity to make accusations - women as refugees, for example.

HOWEVER, at the same time, there were hundreds of workshops that did not fit into the above categories: workshops on women's health, on battered women and rape, on restructuring sex roles and on religion.

At any given time, one could attend sessions on feminist theology; *God the Loving Mother*; linkages and future development; inside and beyond the network, or feminist theory - difficult questions and present directions.

I WENT to one workshop sponsored by the Women in Psychology group from the U.S. where women discussed important issues in their home countries. A psychologist from Kuwait raised the problem of family counselling in a polygamous marriage, when there is friction between two of the wives; several women from Moslem countries talked about some of their problems in dealing with polygamous "family therapy." Can one do "feminist therapy" with two competing wives?

I had been asked before the conference to present a paper at a workshop sponsored by the International Child Research Institute of Berkeley on "Dilemmas of the Working Women: Balancing Marriage, Career and Motherhood."

Over 25 countries were represented and the discussion was excellent. The Third World has no history of day care, for, until recently, there

was always a grandmother or aunt to care for the children of working mothers; but with increased urbanization, and the emergence of educated, middle-class women who go to work and no longer live near the family village, the problem is emerging as a major one in Africa and in parts of the Far East.

Women from Sri Lanka, Nigeria and Ghana discussed their problems and found the Swedish and Israeli experience very helpful. We spoke the same language. A woman from Tanzania introduced herself as a social agent who handles employee relations in a garment factory where most of the employees are women and there is a high degree of absenteeism because of child care problems. She asked about industry-sponsored day care and then raised the question of who provides the care - men or women? I knew she was talking my language when she said: "We know that the child internalizes the image of the care-giver in the early months of life. Why, then, should we only use women in day care?" She drove me and a Sudanese woman back to the university after the meeting. We discussed only issues concerning children. There was no tension. At this same meeting, the head of the Home Economics Department of Cairo University talked about sending two of her younger male staff to acquire a Ph.D. and mentioned that in another year, child care will be taught by males, thus destroying the image of the child care person as a female. I brought up the Na'amat Tane la Yad TV commercials. There was no tension.

THE ISSUE of child care emerged as one of the chief problems for women in the emerging nations. They are forced to hire young girls, usually refugees (in Kenya, they may come from Uganda or Ethiopia) who cannot read directions on a medicine bottle and are very limited. "We go out and help the country develop educational and child care resources and leave our children to the most primitive caretakers." There have been dreadful cases of children being stolen or even killed by these "ayas."

I brought back with me a proposal drawn up by the Shalom Club of Kenya for a day-care centre and creche in Nairobi. The Shalom Club comprises over a thousand Kenyans who have studied in various programmes in Israel. (Mt. Carmel, the Afro-Asian Institute, Rehovot, etc.). The Kenyans value the aid they have received from Israel, and they were wonderful. They entertained us; they defended us. It was often a Kenyan woman who called the Palestinians to order and asked them to get back to the issues of women. And in one session, when the cries of "Palestine is Ours" got loud, two

Kenyans started to sing *Havenu Shalom Aleichem*. (They sing it in Hebrew and Swahili.) I am hoping to get them professional help and perhaps some funding for their project.

I CANNOT overemphasize the strength of the African women. Like women all over the Third World, they account for a substantial part of the food production in the world and play the "main role in procuring and preparing the food for family consumption." Yet they are often not allowed to own the land they till; they have no rights of inheritance, etc. These women have been the leaders in providing educational and health facilities in their villages, and now, as a generation of trained professionals is emerging among them, we can see them as a vital force in the development of Africa.

There were other women I met whose contributions to progress have been unsung. There is a young Jewish doctor in Kenya who was born in the U.S. and spent some years in Israel in the IDF; she first went to Kenya with an Israeli health team, but has spent the last 10 years there on her own. Her current project involves developing resources in an arid area where 500 women have been left widowed by interethnic strife; she helps to provide health care, agricultural aid, etc.

Then there is an American nurse

who has led a health-care team training local women to become health-care workers in a remote province of Uganda. She had previously worked in Cambodia and Thailand.

These women dedicate themselves to other women without indulging in feminist slogans or rhetoric.

Wherever I went I met social workers who had been trained by Israelis. Israel set up the first school of social work in Kenya in the late sixties; it is now part of the Kenya Institute of Administration. I brought back with me four pounds of coffee for various teachers whom I met in the last few days of the Forum. The late Dr. Hoffert is venerated.

ONE OF the most pleasant sessions occurred on the last day of the Forum. The National Council of Jewish Women of Canada had a slot, "Women Helping Women," dealing with a project that was co-sponsored by the Canadian government, called Match, as women's groups in developing countries are matched with a women's organization in Canada. The NCJW worked in a rural area of Kenya, about 40 miles from Mombasa. In this village, women walk miles each day for water and also to mill their maize, which is their main source of support. They were encouraged to form a cooperative; they

elected a leader who could read and write and explored the possibilities of various projects; they decided that for them the best solution would be to buy a mill to grind their own maize, and they submitted the proposal to the Canadian authorities. Today they have their own mill and are producing more maize than they need and selling it at a profit. They are also milling maize from nearby settlements.

The women of the village opened a co-operative bank account, and learned to keep their own books. Elizabeth Agina, who told us about this, said: "I am a social worker and I learned about 'self-actualization,' but you have no idea what psychological effect a bank account has on these women. It enhances their self-esteem. One woman said now she can send her children to school next winter; their husbands respect them more."

Ms. Agina told the audience that she learned everything she knows about social work from Israeli teachers. The audience was visibly moved, and most of us felt that this interchange meant more than all the confrontations with the Arabs.

RUTH RESNICK of the Battered Women's Shelter, and Esther Elam of the Rape Centre, also gained the respect of their fellow professionals as they discussed their work.

One night, before the Forum began, a few Israelis sat around a fire at a game lodge and were joined by some Central American women,

chiefly from Curacao. Ruth Resnick suggested that we all talk about our grandmothers - themes like strong women, mobility, courage, emphasis on education emerged in the stories of the Israeli grandmothers, and then the women of Curacao talked about their primitive grandmothers who were strong, who helped them get an education, who raised many children and provided for them, etc. A common bond developed that was most touching.

Another pleasant memory is of the camaraderie and support we received from Jewish women all around the world. There were Jewish women in official delegations from Finland and Sweden; wonderful supporters from Holland, France, Canada, the U.S., etc. There were young European Jews - very much part of the feminist, anti-nuke generation of today but they supported us in words and actions. They were not from the organized women's groups such as Hadassah and Wizo, but they were helpful.

And, finally, the camaraderie in our own Israeli delegation was fantastic. We represented diverse viewpoints, from right to left. Galia Cohen from Peace Now had the respect of every woman. And on Saturday afternoon, Sonia Cohen of Emunah invited everyone to a *seudat shilshit*, at which Rabbinit Goren discussed the *Pirke Avot*. Everyone came, from the left as well as the right. There was openness and acceptance of each other.

I only hope that this oneness and sisterhood, which I know we Jewish women are capable of, will continue now that we've returned.

The writer is a senior lecturer in clinical social work at Bar-Ilan University.

Trial by elevator

RANDOMALIA
Miriam Arad

anyhow. Whether you would rather they took you up fast, getting the ordeal over with sooner but leaving your stomach one story behind, or slowly but without the lurch, is a matter of personal preference. Myself, I'm for the slow ride: I like my dinner to stay still wherever it is.

ANYWAY you look at it, riding a lift is an unnatural situation for man to be in. Trapped with absolute strangers in a moving cage, one's first concern is the strict avoidance of anyone else's eye. One either stares at the floor, inspects the button panel, reads the emergency regula-

tions, if any, or pretends to a sudden anxiety about the contents of one's handbag. Private lifts are even worse than public ones in this regard, because in them you often find yourself confronted with only one stranger in a space scarcely larger than a square meter. It calls for quite a bit of social *savoir faire*. Maybe that's why people in lifts are so uncommonly polite to one another - holding doors, pushing buttons, and conducting positively British conversations: "Hot today, isn't it?" "Yes, isn't it?" "Not as bad as yesterday, though." "No, but the weatherman says...here we are."

It's small wonder, then, that most children become intensely shy in lifts: they haven't acquired the art of small talk yet, so unless they're very young and stare at you frankly, or in their adult-disdaining teens and turn their backs on you, they never quite know what to do with themselves. If they are alone with you, they squirm; if with a friend, they giggle. Living in a high-rise, I have become fairly life-wise myself. In other words, I have elaborated such lift occupations as buttoning my coat - or unbuttoning it, as the case may be - fishing for my keys, or opening my mail. As for reading the emergency regulations, I already know them by heart.

TOUR VA'ALEH
W.Z.O. Aliyah and Absorption Dept.
invites visitors from abroad
to a
ONE DAY TOUR OF CENTRAL GALILEE
(Visiting Carmel and the Segev area)
on Wednesday August 7, 1985, departing from Tel Aviv.
Charge for the trip is equivalent to \$5.50,
which covers the cost for lunch at a Moshav.
For details and registration and all inquiries concerning aliya, call 03-258311,
ext. 28 or 03-268842, or come to 12 Kaplan St., Tel Aviv, 6th floor, room 802.
Office hours: Sunday - Thursday, 8 a.m.-2 p.m.; Friday, 8 a.m.-1 p.m.

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THE JERUSALEM POST

PASSAGE TO INDIA - and NEPAL
Join a fascinating tour to a new, old world.
Visit New Delhi, capital of Imperial India; Varanasi, formerly Benares, the holy city of the Ganges; Fatehpur Sikri, the deserted city built in red sandstone; Jaipur, the pink city; Udaipur - temples, palaces, gardens and lakes; Bombay - bustling metropolis of millions, gateway of India. And those Jewels in the Crown - Agra - the Taj Mahal; Srinagar - Kashmir, the roof of India; Nepal - Kathmandu and the Himalayas - the roof of the world!
Departure dates: 16.10.85, 6.11.85, 4.12.85, 1.1.86, 5.2.86, 5.3.86.

BRAZIL - SAMBA, VODOO, METROPOLIS, JUNGLE
RECIFE (Pernambuco) the pearl of the north-east, the "Venice of Brazil", where seven rivers flow into the Atlantic.
SALVADOR-BAHIA - Colonial baroque architecture, voodoo, folklore and handicrafts.
RIO DE JANEIRO - Birthplace of the Samba - home of Cariocas and Carnival, Sugar Loaf and Corcovado, Copacabana and Ipanema.
SAO PAULO - sprawling metropolis of 12 million inhabitants; leading industrial and commercial centre of Brazil; museums, theatres, opera, night clubs.
IGUASSU FALLS - thirty rivers, joining in hundreds of water falls, form a vast torrential downpour - one of the greatest natural wonders of the world.
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Policemen arresting a demonstrator in Durban, South Africa, last week.

Associated Press

Pressure Builds, But South Africa Isn't Budging

Like the settlers of the American West, the white Afrikaners who trekked north from South Africa's cape to settle the interior in the 19th century drew wagons around their camps against hostile forces. The wagons were circled again last week, as the white minority Government defied increasingly critical international reaction and continued its crackdown on black protest.

In Washington, the House voted 396 to 48 for a mild package of economic sanctions on South Africa, including a ban on the import of Krugerrand gold coins and on the export of goods for use in nuclear facilities and computers. Bank loans to the South African Government were also banned, although most banks had suspended such loans seven

years ago. (In New York, the Chase Manhattan Bank was reported to have taken the lead in halting loans to private borrowers.)

The Senate put off action until after the August recess because of a filibuster threat by Senator Jesse Helms.

While more critical than usual of Pretoria's tough attitude toward black dissent, the Administration continued to oppose sanctions. President Reagan was still said to favor quiet diplomatic efforts — constructive engagement — to persuade the South African authorities to start talks with black representatives.

White House advisers were talking about a veto, but in both houses supporters of sanctions appeared to command the two-thirds majority needed to override one.

The 10 Common Market countries plus Spain and Portugal, which are due to join shortly, recalled their ambassadors from South Africa. But Britain and West Germany opposed

immediate sanctions.

The South African Government showed no sign of bowing to international opinion, much less to internal opposition. The state of emergency, which has given sweeping powers to the police and military since it was proclaimed July 21, was made even tighter by a ban on mass funerals and outdoor funerals for people who "die of unnatural causes." Mass funerals for blacks have been frequent: more than 500 people have been killed since last September, when the current wave of unrest began. Yesterday 1,500 mourners, defying the ban, crowded into a church near Port Elizabeth for the funeral of 11 blacks killed in rioting.

As arrests of blacks neared the 1,400 mark, President P. W. Botha refused to see Bishop Desmond M. Tutu, the Nobel Peace laureate and a leading black spokesman. Bishop Tutu, who last met with Mr. Botha in 1980, said the decision "demonstrates very clearly the crisis of our land."

In an apparent answer to Washington, Mr. Botha withdrew his ambassador-designate, Herbert Beukes, who had yet to present his credentials to Mr. Reagan. The American Ambassador to South Africa, Herman W. Nickel, was called home "for consultations" in June as a sign of displeasure with South Africa's actions.

AIDS and the Blood Supply

Although scientists have yet to find a treatment for AIDS, much less a cure, they have apparently eliminated one of the ways in which the deadly disease is spread. According to studies reported last week at the National Institutes of Health, a new test has succeeded in screening AIDS-tainted blood, leaving only the remotest chance that transfusions will continue to spread the disease.

Transfusion-associated AIDS accounts for about 2 percent of the cases reported to the Centers for Disease Control in Atlanta, or 202 cases as of last week. The number will probably continue to rise for a time because the incubation period of the disease is sometimes six or more years, but the rate of increase is expected to go steadily down, thanks to the ability to detect the HTLV-3 virus thought responsible for the disease.

Although the nation's blood supply is now deemed safe, members of high-risk groups, such as homosexual men, intravenous drug users and hemophiliacs, are still being urged not to donate blood. (There is no risk to blood donors.)

The Reagan Administration, meanwhile, was reported to be seeking a 48 percent increase in funds for AIDS research — \$126.3 million for the fiscal year beginning Oct. 1. The money would be taken from programs such as the Indian Health Service and the construction of laboratories for the study of cancer and heart disease. In the past two years, Congress has appropriated more money than the Administration requested to combat AIDS.

Margaret M. Heckler, the Secretary of Health and Human Services, who has called the disease the Public Health Service's "No. 1 priority," wants to test possible vaccines as well as drugs for treatment of the ailment, which is believed always to be fatal. The Administration said that the new money would finance research into how AIDS is transmitted, including a study of its prevalence among prostitutes in New York and other cities. (The burden of caring for children with AIDS, page 8.)

Warming Trend

Helsinki Helps Lay the Groundwork for a Summit

By LESLIE H. GELB

WASHINGTON

THE United States and the Soviet Union put on affable faces in Helsinki last week, as Secretary of State George P. Shultz and Soviet Foreign Minister Eduard Shevardnadze took initial steps toward a successful summit meeting in November. They were small steps to be sure but what counted most was the positive mood surrounding their meeting. Even the jockeying for advantage, such as the proposals by Washington and Moscow on nuclear testing that each knew the other would reject, was kept within bounds.

The occasion for the Shultz-Shevardnadze get-together was the 10th anniversary of the Helsinki Final Act, by which 33 European states plus the United States and Canada sought to promote security and human rights in Europe. While Mr. Shultz and Mr. Shevardnadze argued publicly about the record of the past 10 years, their main task was to begin to make sure that President Reagan and Soviet leader Mikhail S. Gorbachev would have something to show for their labors when they meet in Geneva in November.

The new Soviet Foreign Minister went about his task with a style that startled his fellow diplomats and other observers. The rosy-faced Mr. Shevardnadze is 57, nearly a generation younger than his usually grim-looking predecessor, Andrei A. Gromyko. For his first international appearance, he and his delegation were much more outgoing and informal and seemingly less suspicious of the West than was the case with Mr. Gromyko.

In fact, Mr. Shevardnadze seemed to vary from Mr. Gromyko in everything but policy. Perhaps, that may change too. Mr. Gorbachev appeared to be quickly seeking to establish himself as a world figure and a man of peace. More importantly, he has given every indication that he regards his most formidable challenge to be the revival of his country's economy, and that probably means trying to avoid international troubles and a major new arms race.

The same impression of youthful energy and directness imparted by Mr. Gorbachev seemed to have carried over to the Soviet delegation under Mr. Shevardnadze. In the view of people who have observed him in action, he was probably chosen as Moscow's chief diplomat because he is in the Gorbachev mold. The Russians surprised their diplomatic colleagues and the media by carrying Mr. Shevardnadze's style beyond the meeting rooms. They wandered about chatting in a low-key way with other diplomats, talking with reporters, and unlike the Americans, even giving on-the-record briefings.

A Finnish organizer of the conference said, "For the first time, at a conference like this, the Americans are feeling the challenge of an active Soviet media policy."

The whole performance was such as to make the Russians look as though they were ready for compromise on questions of substance. Mr. Reagan is also interested in reducing superpower tensions.

But the problem for both, as is usually the case, resides in the details. Big deals require big mutual compromises. With regard to arms control, that in turn means being in command of a large body of technical knowledge and being possessed by the political stomach for setting aside the more grandiose publicly stated objectives.

Both sides engaged in some maneuvering last week with proposals on nuclear testing. Mr. Reagan invited Soviet witnesses to the United States to observe and measure an American nuclear explosion. The idea was to set a precedent for improving the means of and confidence in monitoring such tests. This could have been a step toward ratification of the signed but unratified treaty of 1974 putting a limit of 150 kilotons on underground tests.

But Moscow immediately called the offer a delaying tactic and insisted that the means are largely available already to verify test limits and bans. The weight of expert opinion leans toward Moscow on this.

For their part, the Russians announced a unilateral five-month moratorium on all nuclear testing, which would be a move toward a comprehensive ban. The Administration dismissed this right away, saying in effect that Moscow could not be trusted to keep its pledge.

Nevertheless, the two foreign ministers called their three-hour private meeting "good," but Mr. Shevardnadze made the main point for both: "The most important thing is the summit," he said. "The first step has been taken."

They agreed on a summit agenda, except for the issue of human rights. First will be bilateral issues. Here, the leaders can be expected to sign accords to build new consulates, restart scientific and cultural exchanges, and cooperate on measures to increase the safety of commercial aircraft. A preliminary agreement on methods to head off incidents like the Soviet downing of a Korean airliner last year was disclosed last

week. The pact also includes Japan.

Second on the agenda will be regional issues such as Afghanistan, the Middle East, Indochina and Central America. No one is predicting breakthroughs on these, only perhaps better understanding of the interests on each side.

The third and most prominent item will be arms control. Here, both sides will be looking for a breakthrough on general principles. The key issue is where Moscow will draw the line between allowable research and banned development of strategic defensive systems in space, and whether any restrictions will be acceptable to Washington. Both sides now apparently agree on significant reductions in offensive nuclear forces, but the question is exactly what is to be reduced. In the last few

How Eastern Europe has changed,
page 2.

weeks, Moscow has been hinting at flexibility, and Administration officials are no longer denying that hints are being made, only saying they are not enough.

The months ahead are likely to be filled with more hints, more declarations of flexibility, more accusations about propaganda — and possibly some real movement. Moscow is expected to play up hopes while Washington tries to dampen expectations up until the last moment.



Michael Barak

Painting a Good Face on the Budget

"SOONER rather than later," said Senate Budget Committee chairman Pete V. Domenici last week, "we have to add the two big issues, unless the United States is prepared to live with deficits of \$130 billion to \$140 billion forever." But as Congress finally passed a budget resolution for 1986 and went off on its August break, the legislators seemed to have chosen later rather than sooner. Rather than face up to the political consequences of raising taxes and delaying Social Security increases — Senator Domenici's "two big issues" — wide bipartisan majorities settled for a measure that claimed it would produce a deficit of \$171 billion. The red ink was barely dry when Congressional leaders said the projection was over-optimistic.

Passage of the resolution and an end to two months of angry disagreement came after President Reagan rejected for a second time a tough Senate plan. The spending blueprint shaves \$55.5 billion from an earlier deficit projection, because the Pentagon would get an increase for inflation but no more than that, and because assorted domestic programs are cut.

The White House was pleased

that there were no new taxes envisioned in the resolution. House Democrats were happy that the cuts were not so severe as the Senate once called for. (Only one program, revenue sharing to the states, is "terminated," instead of the baker's dozen the Senate would have ended; Amtrak and mass transit subsidies continue, cut 15 percent, and programs for the poor and elderly remain generally intact.) The Senate went along on the ground that any resolution was better than nothing. (Senate Republicans march to several different drummers, page 4.)

Some Capitol Hill analysts consoled themselves with the reflection that the form of the budget process was preserved, and that Congress had asserted itself by not giving increases to the Pentagon that Mr. Reagan asked for. But others noted that if history is any guide the battle over 1986 is far from over. For one thing, appropriations already working their way to the floor break through the resolution's spending ceiling. For another, revised economic forecasts are expected to hike the deficit estimate. In the past, to preserve the form of budget process, limits in the budget resolution have been waived.



Soviet Foreign Minister Eduard A. Shevardnadze (top) and Secretary of State George P. Shultz in Helsinki last week; Baltic refugees in Helsinki to protest Soviet policies.

The World

Uganda's New Leaders Try To Take Charge

The Ugandan officers who deposed President Milton Obote last weekend have announced a military Government they say will be temporary. Uganda radio spoke of elections within 12 months, but the officers mentioned no dates. They appealed to anti-Obote guerrillas who control much of southern Uganda and to Obote loyalists in the north to put aside the murderous tribal warfare that has plagued the East African country (population, 14 million) for decades.

Looters celebrated by emptying shops and stealing cars, reducing parts of Kampala, the capital, to a battlefield of broken glass and smoldering buildings. The borders and international airport were closed for a time, but the new leaders permitted 300 foreigners, including 62 Americans, to leave by car for neighboring Kenya.

Lieut. Gen. Tito Okello, a 71-year-old longtime supporter of Mr. Obote, was sworn in as head of state. He was said to have been angered when a general from Mr. Obote's tribe was promoted over him. General Okello accused Mr. Obote of helping himself liberally from the Uganda Central Bank and taking along the country's "entire helicopter squadron" when he fled on the eve of the coup.

A military council was announced and Paul Muwanga, Mr. Obote's Vice President and Defense Minister, was appointed Prime Minister. As Defense Minister, he directed brutal but unsuccessful efforts to put down the southern rebellion, which has been largely supported by his fellow members in the Baganda, the largest tribe. The rebels contend that Mr. Obote rigged the election he won in 1980. Last week, rebel leaders declined an invitation to join the new Government.

The State Department and Amnesty International have said that tens of thousands of civilians died in the fighting and from hunger in the economic and social chaos of Mr. Obote's latest five years in power. With the help of Tanzanian troops, he returned from exile in 1979 to overthrow President Idi Amin, who had ousted him in a 1971 coup.

General Amin, who is widely held responsible for the deaths of 300,000 Ugandans, offered last week to return from his own exile in Jidda, Saudi Arabia, but the new Government told him not to bother.

Some Armor For the Amal

Until last week, Nabih Berri's Amal militia, the main military force in Moslem West Beirut, nevertheless was the only major player in the Lebanese power struggle that did not have its own tanks. But now Syria has altered the balance of armor by turning over 50 old Soviet-built T-54's to Mr. Berri's Shiite followers.

How the tanks will be used was not known. A Government source in Beirut said they would "confront the Palestinians." Amal fought in May and June against Palestinians loyal to Yasir Arafat, who were trying to rebuild their strength in Lebanon, after the Israelis forced many of them to leave in 1982. Syria opposes Mr. Arafat and Jordan, who have been maneuvering toward negotiations with Israel about the West Bank and Gaza Strip.

However, Amal's military branch said the tanks would assist in the



A Shiite Amal fighter in Beirut inspecting a Soviet-made T-54 tank supplied by Syria last week.

Syrian-supported plan to disarm Lebanon's militias and to launch a new Government with more clout for the country's Moslem majority. If so, the armor could strengthen the hand of Mr. Berri, the Justice Minister, in power-sharing negotiations with President Amin Gemayel and other Lebanese Christians as well as with Iranian-backed Islamic fundamentalists.

Mr. Gemayel's Christian-led Lebanese Army has more than 150 American and French-made tanks. The Christian Lebanese Front militia has 21 American-made Shermans and Soviet built T-54's. The Israelis have provided at least 40 Shermans

to the South Lebanon Army, the militia it supports north of its border. The Druse militia, which is often (but not always) allied with Amal, has more than 100 Soviet-built T-54's and T-55's.

Bombing in the Bekaa

Israeli warplanes attacked the Syrian-controlled Bekaa region of eastern Lebanon twice last week. Witnesses said they destroyed the headquarters of the Syrian Social Nationalist Party 10 miles from the Syrian border, killing two militiamen and wounding four other people.

The party has claimed responsibility for seven car-bomb attacks on Israeli targets. In the latest, on a military patrol in southern Lebanon, witnesses said three Israelis and five Lebanese were killed. Israel said that none of its soldiers were killed but that two were slightly wounded.

In the other Bekaa raid a mile to the west, Israeli planes attacked a base of the Libyan-backed Popular Front for the Liberation of Palestine — General Command. Syria said a number of people were killed, mostly women, children and elderly men. The Palestinian group threatened to hit back across the border "and strike into the heart of Israel," where Arabs are believed to have been responsible for killing a dozen Israelis in recent months.

Japan Promises To Buy American

Growing concern over the United States foreign trade deficit and moves in Congress to retaliate against Japan led Tokyo last week to announce measures that a trade official said would make Japan's market "the most open in the world."

The claim was greeted with widespread skepticism in the United States and Europe, which have been exasperated by Japan's slow reaction to complaints of huge trade imbalances. The White House, hitherto loathe to criticize a valued ally, termed some of the measures "promising" but said earlier implementation was needed. Senator Lloyd Bentsen, the Texas Democrat who is co-sponsoring a bill to slap a 25 percent surcharge on imports from Japan and a few other countries with big trade surpluses against the United States, said, "there is little reason to hope this new Japanese program will be more effective" than measures Japan took six years ago during the Tokyo Round trade negotiations.

The United States had a \$13.4 billion trade deficit in June, second only to the \$13.8 deficit registered in July 1984. More than \$4.5 billion of the latest figure was contributed by Japan, which increased June car exports by 37 percent. The strong dollar, still overvalued despite a 12 percent drop since February, is one factor in holding back American exports. Japanese obstacles are another. Last week's plan attempts to address some of them by simplifying quality and safety standards for foreign goods and providing for more purchases and promotion of such goods by the Government. The full effect of the measures is not expected to be felt for three years. With only limited immediate relief in prospect, Congress seemed little disposed to heed an appeal from Prime Minister Yasuhiro Nakasone not to pass protectionist legislation.

Retaliation in El Salvador?

When four United States marines, two American businessmen and seven other people were gunned down in San Salvador while sitting at an outdoor cafe, President Reagan swore vengeance. Last week, Defense Secretary Caspar W. Weinberger said the Salvadoran Army had delivered — killing or capturing "a number of people" believed to be responsible.

But other American officials and the Salvadoran Army were not so sure. They confirmed that two weeks after the initial June 19 incident there had been a successful operation against the Central American Revolutionary Workers' Party, the group that had claimed responsibility for the killings. Twenty-one guerrillas, including two commanders, were reported killed, 40 wounded and nine captured. It was a major defeat for the rebel organization, according to Edward P. Djerejian, a White House spokesman. But a Salvadoran Army spokesman said, "It is not accurate to say we have captured the terrorists involved in the (marine) killings." A Defense Department spokesman "clarified" Mr. Weinberger's remarks, made during a radio interview. The spokesman said the Salvadoran Army had found the actual killers.

In any event, the Salvadoran spokesman said the army had received intelligence help from the United States, which, from bases in Honduras, frequently sends surveillance aircraft over areas where there is rebel activity.

Milt Freudenheim, Henry Gintler and Richard Levine



Are Things Looser in the Eastern Bloc? Yes and No

By MICHAEL T. KAUFMAN

WARSAW — As officials of the United States, the Soviet Union and 33 other countries gathered last week to mark the 10th anniversary of the Helsinki accords on East-West cooperation, Eastern Europeans were assessing the extent to which the declaration had altered their lives. The effects of the accords, which tied together ideas about security, access to capital and technology and human rights and humanitarian objectives, have varied widely, of course. For Solidarity union activists returned to Polish prisons, or for members of the harassed Turkish minority in Bulgaria, implementation of the human rights provisions has clearly been flawed. For most of Eastern Europe, the anticipated flow of Western credits and technology has not materialized.

The disappointments and failed expectations are real, but there has also been widespread recognition that the Helsinki process, as it is called, has become the dominant structure for bridging divisions that go back 40 years to the East-West agreements at Yalta and Potsdam. A virtually nonstop flow of debate has been set in motion — at the Stockholm conference on security and disarmament, the Madrid and Ottawa conferences on human rights and, notably, the exchanges of information on troop movements.

Linkages are increasingly acknowledged between the three parts of the agreement dealing with security, human rights and economic and technological issues. Tradeoffs have been estab-

lished. Hungary, for example, understands that Western investments are more likely to increase as human rights conditions improve.

Governments in Poland and Bulgaria insist that the prohibition on intervention in internal affairs must take precedence over the call for respect for fundamental freedoms. But East European officials privately acknowledge that economic development has become closely tied to human rights. Some of them predict that the possibilities for tradeoffs will grow as Mikhail S. Gorbachev, the new Soviet leader, presses for economic modernization.

Roller Coaster Ride

For dissidents, Helsinki provides a rallying theme and a measuring rod. For example, Adam Michnik, the jailed Polish historian and Solidarity theoretician, says the accords should be the basis for an all-Europe conference on political prisoners. In Czechoslovakia, dissidents monitoring compliance with the accords have been harassed and dismissed from jobs.

In their evaluation, East Europeans start from differing levels of liberty. Ten years ago, Poles already had considerable religious freedom; Czechoslovaks and Rumanians still do not. The extent to which relaxations reflected international pressures or internal developments, such as the rise of Solidarity in 1980, is arguable. And in some states the progress has been irregular.

Most of Eastern Europe has experienced a roller coaster ride in terms of Western trade and foreign debt. Led by Poland, they obtained large

The Helsinki Accords, 10 Years Later

Western loans to finance export-oriented production that was to generate profits to repay creditors. But recession shrank Western markets and rising interest rates, inefficiency and bureaucratic stolidity compounded their difficulties. Most of these countries have sought debt rescheduling and new credits and are imposing austerity to try to reduce trade deficits.

They have also been hit by the drying up of relatively cheap Soviet oil supplies. Moscow is raising prices, effectively demanding hard currency. It is also demanding quality goods such as Hungarian shoes that are now sold mainly in Italian or American markets. Drawing Eastern Europe into closer economic integration could eventually reduce Western leverage on human rights.

On rights issues, most Eastern Europe countries have eased restrictions on emigration for people with families abroad. Issuance of passports for travel has increased, although sometimes in fits and starts. Working conditions for Western journalists have generally improved. But conditions vary widely from country to country. A brief rundown follows:

Country by Country

Bulgaria. The campaign to assimilate ethnic Turks represents a new low in rights violations, Western diplomats say. Entire villages have been sealed off by troops, who reportedly have forced Turkish men to take Slavic names and sought to forbid ritual circumcision. Diplomats and journalists have been barred at gunpoint from these areas. Witnesses who fled report murders and rapes of Turkish residents. Leading ethnic Turks are said to be imprisoned on Belene on a Danube river island. The Roman Catholic Church is not recognized. When Franz Cardinal Koenig of Vienna visited Sofia, he could not meet privately with Bulgarian Catholics.

Czechoslovakia. Compliance with Helsinki is monitored by two small groups, Charter 77 and the Committee for the Defense of the Unjustly Accused. Western European diplomats say they have been harassed with 48-hour detentions, searches and surveillance. In November, the monitors listed 22 people in jail for rights activities and 56 facing similar charges. Priests and pastors must obtain licenses. Religious orders are outlawed. Seven men believed to be Franciscans were charged last fall with "obstructing state supervision" of religion. Printing and distribution of religious material is closely supervised. There were arrests recently for smuggling Bibles from Poland.

East Germany. The West German-based International Society for Human Rights says the number of political prisoners across the border increased by 1,000 in the last year, to 7,000. Another rights organization, the 13th of August Group, says the total is 10,000. Some religious restrictions have been eased. Christian Scientists were permitted to import religious literature and a Mormon temple opened in Friburg. Lutheran deaconesses, or nuns, working with ill and handicapped people obtained pension rights. Erich Honnecker, the state and party chief, met with Johannes Hempel, the senior Evangelical bishop, to reaffirm equal treatment for believers. Travel to the West is limited to mainly elderly people.

Hungary. In the spring parliamentary elections, two candidates competed for each seat. Dissident intellectuals are kept under selective surveillance. They complain about uncertain limits of free expression and inhibiting self-censorship. Foreign travel is relatively easy. Relations with Catholics are smooth, although authorities have reportedly withheld endorsements of Vatican replacements for retiring bishops.

Rumania. All meetings and discussions are closely controlled. Would-be emigrants often lose their apartments and reportedly must pay fees to leave. Fourteen separate churches are officially recognized, but religious expression is limited. Ethnic Hungarians complain of discrimination and abuse of their language rights. The possession of birth control devices is illegal.

Poland. Freedom of religion and expression are the most developed of the region. More than 1,000 churches have been built since 1975. Sunday masses are broadcast. Discussions in newspapers are relatively open. Underground books, magazines and videotapes circulate. Ninety-five percent of the applicants for passports get them. Progress on human rights was interrupted by martial law in 1982 and the outlawing of Solidarity. All political prisoners were granted amnesty last year, but the Government says 220 are now detained. Academic freedom has been curbed. Press attacks on the church have increased. Four secret policemen were convicted in the murder of a pro-Solidarity priest. Parliamentary elections with limited choices are planned.

The BBC Cancels a Documentary on Irish Terrorism

Sinn Fein Is Seated But Hardly Listened To

By JO THOMAS

LONDON — A storm erupted here last week over a decision by the British Broadcasting Corporation, under Government pressure, not to air a television documentary featuring a man alleged to be the chief of staff of the Irish Republican Army. The uproar highlights a contradiction that perplexes all sides in Northern Ireland.

The film that was cancelled reportedly shows how Martin McGuinness lives and what he feels as well as what he has to say. Prime Minister Margaret Thatcher and the Home Secretary Leon Brittan objected that it would give a platform to terrorism, inspire Mr. McGuinness's followers and terrify ordinary citizens.

But although membership in the I.R.A. is outlawed, membership in its political wing, Sinn Fein, is not. And Mr. McGuinness, as a Sinn Fein leader, was elected to the Northern Ireland Assembly in 1982 — and has appeared on B.B.C. broadcasts in the province, albeit questioned harshly or interrupted by his interviewer.

The BBC is state-owned but traditionally free from Government interference except in Northern Ireland, where a great outcry occurs anytime there is an interview with the I.R.A. Aside from raising anew the question of Government censorship, the affair furnished a fresh example of the Government's difficulties in trying to deal with the legal as well as illegal republican challenges to British rule.

Politicians who represent the pro-British Protestant majority in the province want the Government to ban Sinn Fein. The Government

has refused, contending this would leave republicans, who already think force is necessary to achieve a united Ireland, no peaceful alternative. All the same, British officials will neither meet elected Sinn Fein officials nor allow their leaders into the rest of the United Kingdom, except for Gerry Adams, a Member of Parliament. He is free to take his seat but he never has.

Until three years ago, the argument was largely theoretical. Republicans, who don't feel the six Ulster counties should be part of the United Kingdom and want them joined to Ireland, did not run for office, or, after their successes in the Northern Ireland Assembly elections in 1982, did not take their seats. It was not until May, when Sinn Fein took 59 seats in the province's local councils, that the complications of the situation became apparent.

Moderation and Terrorism

"If Unionists allow a normalization of Sinn Fein to take place in the council chambers," Jim Allister, the chief whip of the Rev. Ian Paisley's Democratic Unionist Party, warned after the elections, "the next step will be the Government sitting down with them." His party and the larger Official Unionist Party announced a pact to "smash" and "silence" Sinn Fein.

Ten of the 59 new Sinn Fein councillors, as the press was quick to point out, have served a total of more than 100 years in prison for possession of firearms or explosives or attempted murder. But in the council chambers, their behavior has been moderate. Outside, the I.R.A. has continued its attacks on the police and army and stepped up its bombing campaign, recently hitting government



Martin McGuinness

buildings and a hotel in downtown Belfast for the first time in several years. Douglas Hurd, the Northern Ireland Secretary in Mrs. Thatcher's Government, has told the Unionists they should try to outwit, outmaneuver and outvote Sinn Fein in the councils. But in Omagh, a miscalculation by the Paisleyites allowed the election of Seamus Kerr as the first Sinn Fein chairman in the province. When Mr. Kerr made his opening speech in Irish, he did so to cries of "No Pope here. You want your throat cut, Kerr." In Magherafelt, where a Sinn Fein vice-chairman was elected, one Unionist sprayed air freshener each time the nationalists tried to speak, and another played, "The Sash," the Orangemen's anthem, on his cassette tape recorder when the new vice-chairman raised a clenched fist and shouted "Victory is ours," all but two of the 15 councillors joined in a brawl that took the police 30 minutes to stop. In Belfast, where the Unionists failed to agree to ban Sinn Fein from the members' room and parking lot, Councillor Rhonda Paisley, Mr. Paisley's daughter, blew a toy trumpet to disrupt a Sinn Fein speech.

In Down Council, Sinn Fein suggested the Union Jack should not be flown outside the council offices. Said Mrs. Geraldine Ritchie, a Sinn Fein councillor from Downpatrick: "It's a foreign flag, a symbol of oppression." Mrs. Ethel Smyth, a Democratic Unionist councillor, took a Union Jack out of her handbag, draped it over the bench in front of her and demanded that Mrs. Ritchie be arrested for sedition. When Mrs. Smyth refused to sit down, the police escorted her out of the chamber. Her clenched fist raised, she shouted: "We will never surrender to the I.R.A. Never, never, never."

Prime Minister Is Proving a More Flexible Leader Than His Mother

Gandhi Reaches Out to The Sikhs — and Unity

By STEVEN R. WEISMAN

NEW DELHI — "Some kind of a dream of unity has occupied the mind of India since the dawn of civilization," wrote Jawaharlal Nehru, the country's first Prime Minister. In recent years, nothing has jeopardized that dream more than the confrontation with members of the Sikh religious sect, agitating for greater autonomy in the strategically vital farming state of the Punjab. The Sikh crisis led to the assassination last year of Prime Minister Indira Gandhi, Nehru's daughter, and threatened to transform Punjab into a permanently wounded region comparable to Northern Ireland.

Now an accord between Prime Minister Rajiv Gandhi and moderate Sikh leaders, negotiated 10 days ago, has produced hope of an end to the cycle of revenge and turmoil that has cost thousands of lives and spread fear of terrorism here and abroad.

Both Mr. Gandhi and Sikh leaders have won praise for their willingness to compromise. An angry minority of militants vowed last week to continue their agitation, and some of them clashed violently with supporters of the pact outside the Golden Temple at Amritsar, the Sikhs' holiest shrine. In New Delhi, the murder of a member of Parliament last week was thought by many to have been committed by Sikh terrorists. But most indications were that the accord was winning broad acceptance among the country's 14 million Sikhs.

Perhaps more striking has been a sense among many in India that the new spirit of accommodation could strengthen democratic institutions and encourage efforts to address other regional and ethnic disputes. "Democracy cannot function without compromise," said Nirmla Mukarji, a political scientist at the Center for Policy Research. "With every success of this kind,

democracy in India becomes solidified all the more."

Some Indian politicians wonder whether Mr. Gandhi's willingness to compromise with Sikhs may encourage more demands by other dissident groups. But most politicians, columnists and commentators have praised the Prime Minister for showing more flexibility than his mother did. This has surprised many skeptics because during the December election, Mr. Gandhi used one of his mother's tactics: whipping up sentiment against threats to unity. He repeatedly appealed for votes by asserting that only he and the ruling Congress-I Party could prevent India's imminent dissolution.

Now Mr. Gandhi's aides and allies have redoubled efforts to resolve particular caste and religious conflicts that have recently turned the western state of Gujarat into a kind of war zone. More than 250 people have died in fighting there in the last five months. In addition, officials say they may be close to an accord in Assam, the northeastern state, where a thousand died in Hindu attacks on Muslims in 1983.

A History of Violence

The subcontinent has long been plagued by warfare and violence. The British decision to partition it into India, predominantly Hindu, and Pakistan, predominantly Muslim, in 1947 led to the uprooting of millions of families and the slaughter of hundreds of thousands. In 1971, war erupted again and East Pakistan broke away from West Pakistan, becoming Bangladesh.

Since independence, India itself has been beset by dissent and rebellion. Mrs. Gandhi placated one secessionist movement in the southern state of Tamil Nadu by promising not to force the people to adopt Hindi as a national language. In Kashmir, she went so far as to sign a compact assuring that a popular Muslim leader could return from exile to serve as Chief Minister. But Mrs.

Gandhi failed to quell violent insurgencies in the north-eastern states, and the area remains highly troubled.

Until the 1980's, India was kept together not only by its Constitution but also by the remarkable support commanded by the Congress Party. Opposition parties began taking control of the states two decades ago, creating friction with the Prime Minister. Today these parties draw most of their support in states like West Bengal, Andhra Pradesh and Karnataka, whose leadership now forms the principal opposition to Mr. Gandhi.

Prime Minister Nehru spoke often of India's "fissiparous tendencies," its built-in pressure to split apart. But many historians point out that in 5,000 years of rich and turbulent history there actually never was a period when the subcontinent was unified until the British Empire. Nehru's "dream" of one India, these historians say, existed mostly in his own mind. Even so, Nehru managed to impart that vision to his countrymen, and today it serves as an element of political reality in India.

But there are other elements. Fifteen official languages and more than a thousand dialects make communication difficult. Divisions are also fostered by caste, regional and religious differences. Although overwhelmingly Hindu, the country still has one of the world's largest Muslim populations.

India's enormous economic progress also has brought its strains. Mr. Gandhi has traced much of today's violence to "trying to do things in maybe 30 or 50 years that other countries have taken hundreds of years to do." In recent years, India has attempted to redress economic imbalances by pouring more investment into backward areas. This has brought discord as the poor scramble for scarce jobs. Some 50 million people remain in primitive tribes in the central forest and hill country, where hydroelectric plants, coal mines and steel mills are planned. Many of these projects have been stopped by tribespeople, angry at not sharing in the wealth.

But experts agree that without further economic development, India cannot address the problems of disunity. The lesson of the Punjab seems to have been the one that Nehru recognized from the beginning. As George Verghese, editor of the Indian Express, puts it: "India's unity rests on the recognition and acceptance of its diversity. But that unity can only be preserved by bringing change, modernization and social justice to India."

Cardinal Ratzinger



The New York Times. Paul Heston
Joseph Cardinal Ratzinger (right) with John Cardinal O'Connor, the Archbishop of New York, in Rome in May.

A Voice of Conservatism With the Pope's Ear

By E. J. DIONNE Jr.

ROME — Except perhaps for Pope John Paul II, no one in the Vatican arouses as much passionate argument as Joseph Cardinal Ratzinger, a West German theologian who is the head of the Congregation for the Doctrine of the Faith. Cardinal Ratzinger is charged with enforcing Roman Catholic orthodoxy, which means correcting what he sees as erroneous interpretations of church doctrine and occasionally punishing those who stray from the true faith.

He is best known for the order silencing Father Leonardo Boff, the Brazilian champion of liberation theology. The cardinal argues that in some versions, liberation theology is based on dangerous Marxist concepts such as "class struggle" and is ultimately harmful to the poor. John Paul had Cardinal Ratzinger's ideas on liberation theology very much in mind when he visited South America early this year.

This week, the Pope leaves for Africa, a continent on which the cardinal's views are equally clear. Some Catholic theologians have been struggling to attract followers there by integrating African traditions with Christianity to create an "African theology." But Cardinal Ratzinger argues that synthesizing African faiths with Catholicism might end up deforming the church's message. A specific "African theology," he says, is "more a hope than a reality."

Cardinal Ratzinger's job would be important under any circumstances but he and John Paul have made it more so. The Pope sees as one of his main tasks restoring traditional dogma after a period of experimentation. Cardinal Ratzinger has taken this on with enthusiasm. Often appearing shy in public, he is supremely self-confident, his associates say, and ready to do battle with those who disagree with the Pope. The son of a policeman and a hotel cook, he was born a small Bavarian town 58 years ago and became prominent as a professor and as Archbishop of Munich. Friends say his self-deprecating sense of humor — he once said that Father Boff had studied too much German theology — belies his tough-guy image.

The Rev. David Tracy, a liberal Catholic theologian at the University of Chicago, describes the cardinal as "a strong person who also has a strong intellectual position." He often uses it to serve as a lightning rod, absorbing criticism that might otherwise be aimed at the Pope. Thus Cardinal Ratzinger often says sharp things that John Paul might find impolitic.

A Gloomy View

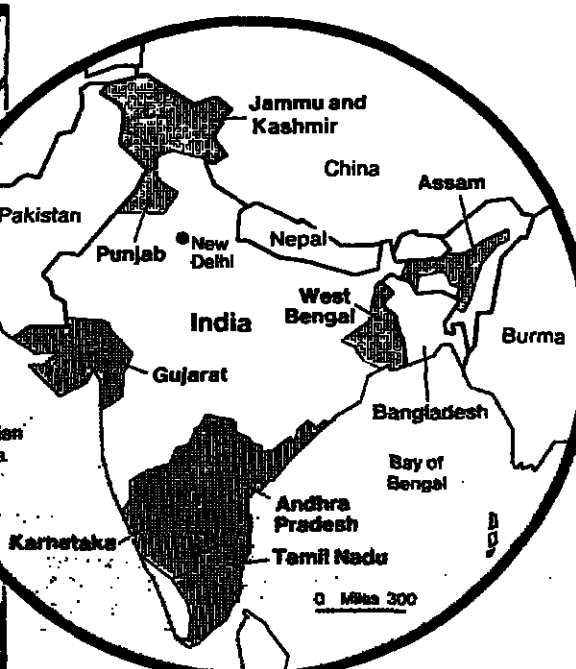
He has risked new attacks with the publication of an outspoken book, "Report on the Faith," a gloomy look at the 20 years since the Second Vatican Council. "We expected a leap forward," he says, "and in fact we found ourselves confronted by a progressive process of decadence, which developed in large part under a presumed 'spirit of the Council,' and in this way discredited it."

Liberals, he said, have become as intolerant as some conservatives, falling into a "dangerous new triumphalism." The troubles of last 20 years were not due to the "real" council, he argues, "but to the unleashing inside the church of latent, aggressive, centrifugal forces — perhaps irresponsible or perhaps simply naive — of an easy optimism, of an emphasis on modernity." Like many conservatives, Cardinal Ratzinger lays the blame on a "new" class. "Outside the church," he said, there was "the impact of the cultural revolution, the rise of the middle and upper class" with its "liberal-radical ideology of an individualistic, rationalistic, hedonistic character." Not surprisingly, he takes a dim view of married priests, birth control and the women's movement.

Such strong views provoke strong responses. The British Dominican monthly, "New Blackfriars," recently devoted an entire issue to a critique of Cardinal Ratzinger. The Rev. Fergus Kerr, of the Dominican House of Studies at Oxford University, said the cardinal held what he called a traditional Vatican view of the church "drowning under hostile seas." He added: "Cardinal Ratzinger's alarmist and lurid diagnosis of the church's postconciliar diseases is a relatively innocuous example of this long, boring tradition of hyped-up, panic-mongering hyperbole."

The cardinal's critics accuse him of closing off debate on questions about which there are still vast differences of opinion inside the church. "The problem for many of us is that Cardinal Ratzinger seems to be conducting a campaign to impose a particular theology upon the universal church and upon all the theologians," said Father Tracy at the University of Chicago. "It won't work."

But Father Thomas Herron, an American who works for the cardinal, argues that he has enlarged the debate. "Before, if you were against liberation theology, they said you were against poor people," he said. "Now we can discuss it openly and ask if it actually helps the poor." Given the controversial and pessimistic nature of the cardinal's views, the chief Vatican spokesman, Joaquín Navarro Valls, is careful to say that "Cardinal Ratzinger's book was written by Cardinal Ratzinger, not the Pope." But, Mr. Navarro added, "Cardinal Ratzinger is close to the Pope. That is clear."



Associated Press
Sikh militants demonstrating at the Golden Temple in Amritsar last week against peace accord signed with Indian Government.

The President's First and Perhaps Biggest Test: the Economy

In Peru, a New Personality Attracts a Cult

By ALAN RIDING

LIMA, Peru — After learning to live with economic collapse, social decay and political violence, Peruvians are adjusting to the novelty of a 36-year-old President with the mandate, popularity and determination to prove that the country can be governed.

Beginning with his inaugural address last week, Alan García Pérez has rapidly filled the vacuum of leadership through which the country had been drifting under his well-intentioned but ineffectual predecessor, Fernando Belaúnde Terry. With his self-confidence and idealism still unbruised by the frustrations of day-to-day government, Mr. García offered daring and even radical solutions to seemingly insoluble problems. "The way we're going now," he said, "if we don't take decisions, the consequences will be worse."

Such is Peru's deteriorated state that he took action on several fronts simultaneously — the economy, terrorism, narcotics traffic, corruption and arms spending. His effectiveness will take time to measure, but a new mood is already apparent.

Significantly, the change came about democratically. The red-and-white presidential sash passed from one freely elected leader to another for the first time since 1912. Mr. García's American Popular Revolutionary Alliance, having been previously blocked by electoral fraud and coups d'état, was allowed to take office for the first time since it was founded in 1924.

For the moment, attention is concentrated less on the system than on the man. A tall, striking figure, Mr. García won more votes in the April 14 election than eight other candidates combined. His party controls Congress and his popularity is immense. In naming his Cabinet, he made it clear that he would concentrate power in his own hands. He describes himself as a social democrat, but in practical terms he has acted like a populist.

With per capita income down to 1965 levels, two out of three workers without full-time jobs, the annual inflation rate approaching 200 percent and \$475 million of interest in arrears on the \$14 billion foreign debt, the new President's first priority is the economy.

He began by announcing that Peru would limit foreign debt payments to 10 percent of export earnings for the next 12 months — around \$300 million — and would not apply any austerity program designed by the International Monetary Fund. He also instituted an emergency program to double minimum wages, freeze the price of basic goods, tighten exchange controls and raise gasoline prices to increase Government revenues. "We have to defuse the economic time bomb that we inherited," he explained.

But outside the country, the question being asked was whether he had primed the foreign debt "bomb" that has been ticking in the region for the last three years. In reality, he is offering to pay about twice as much as the Belaúnde Government paid in the last 12 months. But if he can link debt payments to export levels, and restructure the debt without I.M.F. involvement, Peru may set a precedent for larger debtor nations such as Brazil and Mexico. Fearing big losses, foreign creditors immediately objected to his challenge to traditional debt rules.

With six other Latin American Presidents seated on

the platform as he read his inaugural address, Mr. García made no secret of his intention to play a role in regional affairs. He called for greater Latin American unity in dealing with the United States ("the richest and most imperialist nation on earth"). And showing sympathy for Nicaragua, he offered support to the Central American peace efforts of the countries known as the Contadora group.

Talking to Terrorists

Even more important, he called for an end to the regional arms race. Peru has dedicated more than one-fourth of its budget to its armed forces, so Mr. García has a powerful domestic reason for this initiative. But he also knows it will not be acceptable at home unless Peru's neighbors also cut back. As a token of his seriousness, he announced that Peru would cancel part of its order for 26 French Mirage-2000 fighter planes.

Given the continuing political weight of the armed forces, which last governed from 1968 to 1980, President García was no less bold in his approach to the issue of terrorism created principally by the Maoist-inspired Shining Path movement over the last five years. He pledged

"to apply the law" against the rebels, but he also announced formation of a peace commission to analyze which political prisoners could be freed and to initiate "a dialogue" with extreme leftists in hopes of pacifying the country.

Because of a widespread feeling that Peru suffered from a process of moral decay under President Belaúnde, there was immediate applause for Mr. García's plan to reorganize and clean up the police and to throw corrupt former officials into jail.

In a move certain to be welcomed in Washington, he also declared war on narcotics traffickers who ship coca paste from Peru for transformation into cocaine in neighboring Colombia and subsequent smuggling into the United States. "We cannot be known in the world as exporters of poison," Mr. García said.

In matching the country's expectations with an ambitious agenda that covers everything from infant mortality to industrial output, the new President has pledged to transform Peru over the next five years. And, with the alternatives of another military coup or a leftist takeover clearly unappealing, most Peruvians seemed more than willing to let him try.



Associated Press
President Alan García Pérez in a shantytown in Lima last weekend.

The Nation

Philadelphia Fire Blamed On Police

By everyone's reckoning, it was one of the worst fires in Philadelphia's history. But what caused the fast-moving blaze that gutted 61 houses in a mostly black neighborhood last May? Was it the bomb dropped by the police on the house occupied by the radical group Move? Or was it touched off, as some city officials speculated at the time, by the cult members themselves?

Last week, the Philadelphia Fire Marshal reported that responsibility for the fire, which killed 11 Move members and left 270 people homeless, lay with the police. The bomb, a 4.5-pound cluster of mining explosives tossed from a helicopter at the group's rooftop bunker, ignited a container of flammable liquid on the



United Press International
Foundations being prepared last week for new houses in Philadelphia to replace those destroyed by fire.

roof of the house, according to a statement by the marshal. It was dropped after a daylong siege in which the police fired an estimated 10,000 rounds in an unsuccessful attempt to evict the Move members.

A spokesman for Mayor W. Wilson Goode said he would have no immediate comment because a special commission that he had appointed had not yet concluded its inquiry. That commission will no doubt want to hear from three firefighters, who in a recent interview with The Philadelphia Inquirer said that members of Move did not, as department officials have claimed, keep them pinned down with gunfire as the blaze spread. Investigators have been told by one of the two surviving cult members that police gunfire prevented others from escaping from the burning house. The Justice Department will also be wanting to talk to the firefighters; a Federal inquiry into the Move fire is to be announced this week, officials said.

Manville Offer to Asbestos Victims

Nearly three years ago, the Manville Corporation, once the world's largest asbestos producer, filed for bankruptcy. The purpose was to protect itself from billions of dollars in claims from thousands of workers with asbestos-related health problems while settlements were worked out. Last week, it seemed that the tactic, novel for a solvent company, had backfired.

Following a plan negotiated by Leon Silverman, a lawyer appointed by the bankruptcy court, the company offered victims \$2.5 billion through a fund that would tap much of Manville's earnings for the next 25 years. Shareholders would contribute by surrendering half the value of their stock. "The company could have dealt with each claim, year by year, instead of accelerating all claims and wiping out the stockholders," said one legal expert who declined to be identified of the bankruptcy strategy.

Said Curtis B. Linke, a company spokesman: "The offer will have an adverse effect but there is only so much money and a lot of constituencies must be satisfied. Consider the alternative of perhaps the stockholders ending up with zero."

Asbestos, a fiber widely used in construction, appliances and other products and ships built in World War II, causes various debilitating and sometimes fatal lung diseases including cancer, which often take 20 years to develop. By August 1982, more than 16,000 lawsuits had been brought against Manville. The company expected more than 60,000 actions, many from shipyard workers. Last week's offer, said to be the larg-

est health-related settlement proposal ever made by an American company, will be put before stockholders, unsecured creditors, codefendants and claimants for approval.

Coming Soon: Treasury III

Early next month, the House Ways and Means Committee and Administration officials will close themselves to draft a tax revision bill to present to the House. Whether the Senate will act this year is an open question. More to the point, so is how much the measure will look like the one President Reagan proposed.

Last week, Representative Dan Rostenkowski, the Illinois Democrat whom the Administration is banking on for a tax bill, expressed his own view of how a plan should look, more openly than he has so far. He also said why he considers "reform" pressing. The reasons are very different from Mr. Reagan's. "One day soon," the chairman of the Ways and Means Committee told the National Press Club, "we're going to raise taxes." And when the day comes, he added, the country will need "a new tax code that gives us the revenue base to do it without hitting anyone or any business unfairly."

Mr. Rostenkowski early on was among those who said the President's proposals for changing the income tax system were, as he put it last week, "far too generous" to wealthy Americans. In the course of two months of hearings, which ended last week, the Administration acknowledged that upper-income taxpayers would save thousands of dollars a year, mostly because the top tax rate would come down to 35 percent from 50 percent. But it has insisted that the lower rate is crucial to economic growth.

Growth is a goal in which the Republican minority on the Ways and Means Committee concurs. They went public last week too with their view of appropriate means. Again, the differences with key elements of the White House plan were significant. Like Mr. Rostenkowski, they called the President's proposal to repeal the deduction for state and local taxes "negotiable." But while the Democratic chairman questioned the need for some tax breaks the Administration would keep, the Republicans chastised the Administration for removing so many.

Severing an Iranian Link

Federal law enforcement officials said the arrest last week of six people, including an Army lieutenant colonel, for plotting to smuggle more than \$75 million in sophisticated missiles and weapons to Iran illustrated the Middle Eastern country's increased aggressiveness in seeking American arms for its war with Iraq. The case, the latest in a series involving illegal arms ships to Iran, also seemed to illustrate what other recent spy cases have: the profit motive can be more powerful than patriotism.

The scheme was discovered in March, the Federal Bureau of Investigation said, when Charles St. Clair, a Californian who is believed to have left the country, offered a list of weapons to be shipped to Iran via Europe or North Africa to an undercover agent. Mr. St. Clair worked with Paul Sjeklocha, a California military science writer.

The F.B.I. said Mr. Sjeklocha told the agent that "he had been dealing arms with Iran for the last two years and sold them enough arms to net between \$6 and \$8 million dollars." On the transactions in question, including F-4 jet engines, antitank TOW missiles and Harpoon missiles, he planned a 200 percent to 300 percent markup.

The role of Lieut. Col. Wayne G. Gillespie, who worked at the Pentagon in the Army Materiel Command and held top secret clearances, was to advise the smugglers on the TOW missiles technical capabilities. The F.B.I., which is also investigating Mr. Gillespie's previous dealings with Mr. Sjeklocha, said Mr. Gillespie wanted to become involved in "international arms sales" and "earn some money."

Caroline Rand Herron,
Michael Wright
and Katherine Roberts

Verbatim: Unfinished Business

"Sadly, the 20th anniversary of Medicare and Medicaid is only a bittersweet occasion. The sweet side is the recognition that Medicare and Medicaid have provided essential health care to millions of poor, disabled and elderly. The bitter side is the unfinished agenda: nearly 30 million elderly Americans who remain uninsured against expensive long-term care, and 20 to 30 million Americans who remain completely uninsured."

Representative Edward R. Roybal
Democrat of California, chairman of the Select Committee on Aging

Budget Politics Isn't All That Separates the Capitol and the White House

Republican Family Feud Deepens As 1986 Looms

By STEVEN V. ROBERTS

WASHINGTON — Representative William H. Gray 3d, chairman of the House Budget Committee, was asked last week about the feud between the Republicans in the Senate and the Republicans in the White House over budget policy. "In North Philadelphia," the Democrat answered with a laugh, "we learn you don't get involved in somebody's else's fight. You might get shot."

The clash between the Reagan Administration and the Republican Senators reflects a basic disagreement grounded in political realities as well as economic policy. It illuminates a fact of life that grows increasingly important as November 1986 approaches. Ronald Reagan can never again run for the Presidency. But the terms of 22 of the 53 Republicans in the Senate will be up in 15 months. Mr. Reagan and the incumbents who are running again are operating on different political wavelengths. The President is seeking the support of history; the Senators are already appealing to the voters back home.

Senator Alan K. Simpson of Wyoming, the deputy Republican leader, said that this divergence of priorities "makes it harder" for the Senate leadership to get its troops in line behind Administration policies. Mr. Simpson, who won his second term last year, has noticed what he called "an acceleration of the primal urge — which is re-election for us." He says of his colleagues: "They have their own bases to cover."

The battle over the 1986 budget was the latest and most visible clash between the Administration and Republican lawmakers. In February, Senator Mark Andrews of North Dakota helped lead the fight for an emergency farm credit bill, which Mr. Reagan then vetoed. Senator Charles E. Grassley of Iowa emerged as one of fiercer critics of Pentagon spending increases that Mr. Reagan wanted. Senator Mark O. Hatfield of Oregon led a successful filibuster against one of Mr. Reagan's favorite proposals, which would give the President increased veto power. Senators Charles McC. Mathias Jr. of Maryland and Arlen Specter of Pennsylvania provided the key votes that killed the nomination of William Bradford Reynolds, Assistant Attorney General for civil rights, to be Associate Attorney General.

The rancor boiled over last week. Republican



Paul Cooklin (Mathias and Grassley); Gamma-Liaison/Judy Sloan

negotiators, trying to break through the budget impasse, had offered a plan with three key elements: slower increases in Social Security benefits; a tax on oil imports, and a postponement of legislation that adjusts income tax brackets for inflation. The White House rejected the proposal on the ground that President Reagan had promised during the campaign never to raise taxes or reduce Social Security.

Senator Bob Dole, the majority leader, said Republican Senators were feeling a "great deal of frustration." Senator Slade Gorton of Washington added: "I regret to say that the President has sold us down the river again." By week's end, the Republicans had negotiated with the House Democrats a budget plan that purported to cut the deficit by \$55.5 billion in the next fiscal year. But the wounds will be slow to heal.

The core of the conflict is a disagreement over economic theory. Mr. Gorton, who is running for re-election next year, put it this way: "A very substantial number of Republican Senators regard the budget deficit as the greatest challenge facing the country, and feel that the failure to deal with it really threatens economic growth." They believe that extraordinary actions, no matter how unpopular at the moment, should be taken to close the budget gap. But they also believe, in Mr. Gorton's words, that in the long run "good policy will be good politics," because reducing the deficit will stimulate the economy and make voters support Republicans in 1986. Good times, they reason, will make people forget the pain of higher taxes or lower pensions.

But, Senator Gorton noted, "the President and the White House simply do not rank the budget deficit that highly" and Mr. Reagan does not believe the country has to "engage in painful activities," such as paying more taxes. That is because, he says, the President believes deficits are not a serious economic threat and continued growth, stimulated by tax reductions, will resolve the problem in any case.

Changes at the Top

The disagreement between the Senate Republicans and the White House has been aggravated this year by two changes at the top. The assertive Mr. Dole took over as majority leader from retiring Senator Howard H. Baker Jr., who was more accommodating to the White House. And Treasury Secretary Donald T. Regan, a former Wall Street financier with little background in politics, switched jobs with White House chief of staff James Baker 3d, a seasoned legislative strategist. The personal chemistry has been explosive.

When Congress returns in September, the Senate is almost certain to defy threats of a Presidential veto and pass compromise legislation imposing economic sanctions against South Africa. Republicans are promoting a bill, strongly opposed in the White House, that mandated retaliation against Japan for what are considered unfair trade practices. The outlook for President Reagan's tax revision proposal remains uncertain.

Mr. Dole said called the President "still the best weapon that we (Republicans) have politically." But he also warned that when their judgments clash "not too many Republican Senators will listen to pleas from the White House."

Cities Explore Alternatives to 'Manhattanization'

The Struggle to Keep Skylines in Line

By ROBERT LINDSEY



Long shadows in San Francisco's financial district; below, a view of downtown Los Angeles.

SAN FRANCISCO — While the skyscraper is by no means an endangered species, a growing number of City Halls are being pressured these days to slow or otherwise restrict downtown building booms.

San Francisco's Board of Supervisors last month approved a new zoning law designed to limit the height and size of office towers and to reduce by half the projected employment growth downtown over the next 15 years.

Adoption of the plan came after more than a decade of complaints from San Franciscans that their city was being "Manhattanized." Meanwhile, a citizens group, protesting that the law does not go far enough, has begun gathering signatures on petitions to place before the voters this fall a measure that would impose an immediate moratorium on virtually all skyscraper construction.

Although no other city has so far considered restrictions as stringent as San Francisco's, groups around the country are mounting challenges to downtown development. The groups argue that the unrestricted spread of high-rise towers can rob cities of sunlight and open space, aggravate traffic, parking and housing problems, and otherwise reduce the quality of life.

Philadelphia's City Council recently approved construction of two 60-story office structures that will climb 367 feet above the statue of William Penn that sits atop the 550-foot City Hall. The approval came only after an emotional effort to halt the project by citizens who claimed "Billy Penn's nose" was, by long tradition and good sense, the highest that buildings there should rise.

Proposals to limit construction of office towers have also surfaced recently in Boston, Dallas and Los Angeles, among other cities.

In New York, officials have weathered citizen protests over the enormous bulk of projects planned for Times Square and the site of the New York Coliseum. Public concern that the East Side of midtown Manhattan was becoming overloaded with sun-blocking towers has led to efforts by the city to shift future high-density developments to the west. This, in turn, has triggered protests that development, while bolstering tax revenues, could threaten the theater district, the garment center and other traditional West Side hallmarks.

At the turn of the century, Los Angeles enacted a law limiting buildings to 13 stories, a step largely intended to encourage development of an urban environment different from the smoky, high-rise-dominated cities of the East. After the law was repealed in 1957, a forest of glittering new buildings ranging up to 62 stories took root downtown, creating thousands of new office jobs and bringing vitality to the once-decaying sector. But sentiment has surfaced recently that perhaps the time has come to turn back the clock and impose limits.

The booming downtown workforce is causing severe traffic and parking problems. Some want to impose a moratorium on high-rises to avert predicted downtown traffic "gridlock" if more are

built. There are "aesthetic concerns" as well. Some officials want to restore the 13-story limit in the old financial district because of fears that proposed skyscrapers will dwarf buildings erected when the limit was in effect.

Israel Stollman, executive director of the American Planning Association, said that in many cities there is still broad support for construction of new office buildings, motivated by a desire to stem a loss of jobs to suburban communities and "to maintain vitality downtown."

But, he and others say, even in many of these cities there have been increasingly vocal efforts by residents to protect their communities from being overrun. "There's more active participation by citizens today," Mr. Stollman said. "People were passive before; now they want a say."

Because of their frequently substantial contributions to candidates for public office, real estate and development interests anxious to build more and bigger buildings have considerable sway in many cities. For the moment, planners say, local politicians are less likely to be moved by public opposition to new projects than they are by economic considerations, including the current glut of office space in many American cities.

The Inevitable Towers

Some experts say that in most economically healthy metropolitan areas a certain amount of high-rise construction will occur, in one place or another, regardless of restrictions. In Washington, D.C., for example, buildings taller than the United States Capitol have long been barred. The result has been a surge of office-tower construction in nearby Virginia, and with it the congestion that often accompanies such high-density developments.

Still, as America shifts increasingly to a service-oriented economy based in the cities, and as more middle-class professionals make their homes there, many planners say citizens will continue asking for a larger voice in the growth and shape of their communities. Many say it is unlikely that other cities will impose restrictions as tough as San Francisco's, where a somewhat liberal political climate and a broad public interest in preserving the city's renowned charms helped overcome opposition from developers. But these experts suspect that some cities will at least be inspired by San Francisco to tighten up zoning.

According to Dean Macris, the San Francisco planning director, the city's approach breaks ground in several ways. Besides limiting the number of new buildings and setting height limits (ranging from 5 to 43 stories, depending on location), it preserves 251 architecturally important structures from destruction; establishes innovative legal machinery "to deal with the city on a very intimate basis," zoning property "lot by lot," and requires developers to subsidize community housing, transit projects, art work and child care facilities for those who work in the new buildings.

"Change is going to occur," Mr. Macris said. "We can't let it, but we can manage it."

Business Schools, Japanese Style



Hitachi
'students'
break for
exercise.

Company-run, they instill management skills while preaching loyalty.

By SUSAN CHIRA

HERE, in the shade of bamboo and pines, at a company school far from their offices, Hitachi Ltd. executives gather to study management. In the mornings, they hear lectures about Japanese architecture, American history and the relationship between the Japanese and nature. In the afternoon, they break for exercise, standing in slippers and stretching to the sky. And in the evenings, over sake and beer, they discuss the day's lessons in a class called "We Are One."

Management training? Very much so, says Yasuhiko Shigenaga, director of the Hitachi Institute of Management Development. Knowledge of Japanese design and architecture, he explains, may help a manager tailor products to consumer tastes. Classes like "We Are One" reinforce Japan's emphasis on teamwork and relationships as the cornerstones of management. And the sayings of Hitachi's founder that grace the walls at the Abiko school provide a corporate identity.

But perhaps most important, the classes force students to accept the importance of the vast world within which the company operates. "We learn about American history—I don't think any American business school would teach that," said Nobuyuki Yokoo, general manager of the Hitachi Construction Machine Company's overseas service department.

Jazz sessions and wine tastings lighten the menu of required case studies, and the roster of guest speakers includes mountain climbers and artists as well as entrepreneurs and economists. "We have a saying in Japan—the frog in the pond doesn't know about the ocean," Mr. Shigenaga said. "We don't want Hitachi employees to become like that."

In many ways, Japanese management training is similar to that in the United States. Japanese executives study data analysis, decision-making, accounting, and the like. But the differences are crucial. They mold a very different type of manager—the type that scores of American management books have hailed as models of what effective executives should be.

Japanese managers seem more willing to plan for the long term and to incur losses in the pursuit of long-range goals—a philosophy that Mr. Shigenaga sums up in a phrase that

roughly translates to "Tend the garden now and watch the flowers bloom later." They are unlikely to stint on research and development or on training, even in times of financial stress. They will go to great lengths to insure customer service and to inculcate worker loyalty by avoiding layoffs.

Company-sponsored schools are not the only places where Japanese employees can learn basic management tenets. There is the Keio Business School; there are courses offered by employers' associations, and there is the so-called "hell training"—a kind of privately-operated boot camp endured by employees of small companies that cannot afford to run their own schools.

But unlike in the United States, where advanced business degrees are highly valued, Japanese companies prefer to recruit workers unencumbered by independent management theories. Thus, company schools are by far the preferred locale for business education. "Companies start with a white cloth, and then dye it into the colors they like," said Noritake Kobayashi, a professor at Keio.

Corporate schools truly are in-house universities. Nippon Telegraph and Telephone estimates that every year 240,000 workers out of its total payroll of 312,000 enroll in some kind of company education course. Hitachi, one of the few companies that will discuss specific expenditures, says it spends more than \$83 million a year on education, a figure tantamount to about two-thirds of what it spends on advertising its products. Its network of schools and training programs is so complex that diagrams of it take up several pages.

Such companies generally hire employees fresh out of college, usually without any work experience or business training. Then, in a process that will continue throughout their careers, the company trains them in standard business practices and in its own corporate values. And it transforms them from carefree and irresponsible individuals—the common Japanese stereotype of a student—into "shakaijin," or respected members of society.

Although most Japanese companies do maintain separate educational tracks for college graduates destined for management and for future factory and clerical workers, the overlap—at least at first—is considerable. All Hitachi employees are required to work for almost two years in a factory, part of the time on the assembly line, part of the time learning skills like accounting, computer-

aided design, or reliability engineering. This is intended to give managers a detailed grasp of how products are made and a clear picture of how decisions affect the factory.

It is also designed to narrow the psychological gap between managers and workers. The theory is that Japanese managers who began their careers on the assembly line will be more willing to share the burden of hard times with blue collar workers, and thus will take pay cuts rather than lay off employees.

Japanese college graduates are generally steeped in clerical skills by their companies as well. At the Toshiba Corporation, for example, potential managers begin with a month-long orientation program, part finishing school and part boot

'Companies start with a white cloth, and dye it into colors they like.'

—Noritake Kobayashi
Keio Business School

camp. The new workers learn how to use word processors, how to answer telephones, how to write concise business memos, and how to make a business presentation. Although they are unlikely to ever use the skills as directly as their secretaries will, the company considers such training a part of learning to communicate.

Toshiba employees also are drilled in the intricacies of Japan's honorific speech—once second-nature to every educated Japanese, but now, lament the old, lost to the young. And most important, says Tomosuke Sato, general manager of Toshiba's manpower development division, they learn Toshiba philosophy.

"We are training them to absorb basic knowledge and desired attitudes—to form loyalty to Toshiba, to be profit-minded, and to cooperate with other people," Mr. Sato said.

To forge that cooperation, Toshiba, like Hitachi and many other companies, sends its students on retreats where they are forced to interact. Toshiba's retreat involves a three-day visit to a small island five hours from Tokyo. Once there, employees rise at 6 A.M. to participate in a number of problem-solving exercises—acting out business situations from the standpoint of company president and employee, racing each other around obstacle courses, and dividing up housekeeping chores.

Mr. Sato says that by the time the new employees leave the island, they have grown into a closely knit group

similar to a college class. Toshiba even issues them a yearbook.

The end of such formal orientation by no means represents the end of the educational process at Japanese companies. Before an employee assumes a management post, he is sent back to company schools for the management training an American might get in business school.

Business educators here disagree about just how distinctively Japanese this later training is. Some insist that the differences between United States business education and that in Japan have been exaggerated. Others believe that the differences lie in the capital structure and stockholding patterns in Japan, which allow Japanese managers a freedom to forgo immediate profits, a leeway denied to American managers under pressure to pay large dividends and produce good quarterly reports.

Ironically, many Japanese training concepts originated in the United States. Japanese businesses embraced the American concept of quality circles decades before it caught on in the United States. And during the American occupation after World War II, the Ministry of International Trade and Industry sent 14 Government and business officials to a supervisor training course run by the American military on a Japanese airbase.

From that time on, the trade ministry and later the Japan Industrial Training and Vocational Training Association sponsored a management training program patterned after the military course. Japan's Labor Ministry also imported a program called TWI, or training within industry, developed in the United States to help increase wartime production.

These courses taught American management practices that were eagerly embraced by Japan—the need for long-term planning, quality control, and sophisticated financial analysis of company data.

For several years, the programs served as models for management training here, when companies were just beginning to build their own schools, said Ichiro Mino, the director of the education division of the Federation of Associated Japanese Employers' Associations. The courses are still offered to employees of small and medium-sized companies that do not run their own schools.

But in the mid-60's, Mr. Mino said, large companies began to modify the program to suit Japanese practices. "Companies realized the great differences between Japan and the United States," Mr. Mino said. "They needed Japanese examples for case studies, and they started to create their own programs."

The Keio Business School underwent a similar change. At first the school drew heavily upon the teaching staff and methods of the Harvard Business School. Professor Kobayashi said. He was one of several teachers at the school who were sent to Harvard to learn how to teach the case method and management theory. But over the past few years, Keio has begun replacing some of its Harvard cases with ones drawn from Japanese companies, and now one-third of its cases are Japanese.

The company schools, too, use the case history approach. At Hitachi, students may meet in small groups of four, casually dressed but totting stacks of papers and a portable blackboard. Or they may debate cases in a more formal classroom setting, sitting around a large oval table.

Mr. Shigenaga described one case he often uses to outline company precepts. In 1970, Hitachi took over a company hovering on the edge of bankruptcy. The company, a leader in optical equipment, had expanded into office equipment, but the competition was too fierce.

The Hitachi students usually suggest setting higher sales targets, sharply cutting the number of employees, and sending in a number of high-level Hitachi executives to run the subsidiary, Mr. Shigenaga said. While that approach may work in the United States, it is wrong for Japan.

Actually, Hitachi chose first to reduce the number of employees through voluntary retirements by sweetening retirement pay and finding employees jobs in Hitachi group companies. Hitachi then rescheduled the subsidiary's debt at one bank, cut back on equipment investment, reduced sales targets, and dropped the office equipment division. Finally, employees' pay was cut, the company president retired without any retirement pay and the company's dividend was cut in half.

"If a company started to have a problem in the U.S., an American management decision might be to immediately cut 3,000 people," Mr. Shigenaga said. "But for Hitachi, we have to consider other ideas, like increasing retirement allowances or finding them new jobs."

An emphasis on human relations runs through every discussion of Japanese management. "The middle manager has to be liked by the person under him," said Yoichi Maeda, manager in the education division of the Japan Federation of Employers' Associations. "In quality control, in creating sales targets and disseminating them throughout the organization, leadership by a small group is critical." Hitachi's basic management course, required when employees assume the post of section chief, stresses personnel management above all else, Mr. Shigenaga said.

Japanese business educators also tend to emphasize spirit over technique, a point that has received more than its share of publicity in the West. "I think that in America, management technique is very highly evaluated," Mr. Mino said. "But in Japan, it's the spirit, the mentality, the loyalty to the company."

The Economy

WEEK IN BUSINESS

Peru's Bold Move To Control Its Debt

Peru wants to limit its foreign debt payments to 10 percent of export earnings and bypass the I.M.F. in debt negotiations. In a series of bold moves, President Alan García Pérez devalued the currency and increased—and then froze—wages and prices. Other Latin American debtors took up the call. In a Lima declaration and in meetings in Havana, the nations pledged stronger resistance to pressure from the West. But analysts say Peru could find it more difficult to negotiate directly with Western bankers than with the I.M.F.

The second half will be vigorous, Administration economists predicted, admitting that the first was dismal. The official growth projection for 1985 was lowered to 3 percent, from 4 percent. Other economists doubted even that could be achieved. Still, early signs were good. Leading indicators jumped 1 percent in June and factory orders rose 1.9 percent.

Unemployment held steady for the sixth month at 7.2 percent overall, but the manufacturing sector did not lose any jobs for the first time this year.

Colgate wants to concentrate on its core consumer products businesses, and will sell its Bike and Etonic athletic products subsidiaries, its textile operations and most of its food businesses. It also announced a buyback of 18 percent of its shares to enhance the value of the remaining shares. Analysts speculated that the moves were intended to fend off takeovers, but Colgate insisted otherwise.

A compromise on the budget fell far short of targets to cut the deficit by \$300 billion over three years. And some economists say that even the planned \$276 billion in deficit reductions will not be achievable. Social Security, Medicare, welfare and food stamp programs, escaped virtually unscathed, and more than half of the proposed savings would come from the military budget.

Stocks fell. The Dow Jones Industrial average closed at 1,353.05 off 4.03 points for the week. Interest rates rose modestly on anticipation of new Treasury issues and the news that the money supply had increased an unexpectedly high \$3.7 billion.

Manville agreed to settle the billions of dollars of claims from asbestos victims by establishing a trust that would eventually have controlling interest in the company. The agreement ends the years of costly litigation that forced Manville into Chapter 11 bankruptcy in a novel way—by in effect giving the injuring company to the victims.

A House vote to impose economic sanctions on South Africa is little more than a symbolic action because the Senate will not debate the matter until September and a Presidential veto is assured. But Chase Manhattan halted loans to the private sector in South Africa, and other companies are reassessing their positions there.

Montgomery Ward will phase out its unprofitable catalogue business, which 113 years ago led to the build-



Alan García Pérez

ing of the Ward empire. Mobil wants to shed its struggling subsidiary, and said a concentration on store sales would make Ward more attractive.

Japan again proposed to increase its imports and address protectionist feelings in the United States. For example, Japan will no longer require that each color of nail polish be individually certified. Prime Minister Yasuhiro Nakasone asked for tolerance from the United States and cooperation from its citizens. But American skeptics note that Japan has introduced similar measures before.

The trade gap between the United States and Japan was a record \$4.57 billion in June, and was \$13.4 billion over all, the second-highest ever.

The synthetic fuels program was killed by a House vote, and the sponsors of the Great Plains coal gasification project, the flagship plant, said they would abandon it as uneconomic.

Olympia & York will buy a controlling interest in Gulf Canada from Chevron for \$2.3 billion, two weeks after it suddenly backed out of its original \$3 billion agreement.

The Rockefeller Group wants to raise \$1.1 billion for family finances. The complex real estate deal would eventually give the public a 60 percent interest in Rockefeller Center.

A friendly takeover of L.F. Rothschild, Unterberg, Towbin has reportedly been proposed by Marshall S. Cogan and Stephen C. Swid. Mr. Cogan, a shrewd investment banker, could infuse new life into the firm.

Ford agreed to buy First Nationwide, the parent of a big savings and loan association, from National Inter-group for \$493 million. The deal continues an auto industry trend of diversifying into financial services.

CBS successfully fought off Ted Turner. Following a series of rulings in Federal court and the F.C.C., CBS completed the buyback of 21 percent of its stock, practically assuring its independence. Industry sources say Mr. Turner now wants to bid for all or part of MGM. U.A.

Prospects

The Market's Takeoff

The stock market is poised for a major advance late this year and into next year, says Leon G. Cooperman, partner and co-chairman of the investment advisory committee at Goldman, Sachs & Company. And its two most popular indexes—the S.P. 500 and the Dow Jones Industrial average—are poised for a change in pattern, he adds. "In the first half, the Standard & Poor's 500 index outperformed the Dow Jones Industrial average," he said. "The reverse will happen in the second half of 1985."

Why the switch? The 30-stock Dow measures cyclical issues, such as steel, paper and other basic industrial companies, which should benefit from the dollar's decline and the accelerated growth expected in the second half.

"Equally important, these basic cyclical stocks are currently 'underowned' by the institutions," said Mr. Cooperman, and thus, underpriced. Portfolio managers have been focusing instead, he said, on issues affected more by interest rates than business cycles—"utilities, foods, banks and other financial companies—which are heavily represented in the S.P. 500."

Slowing Bankruptcies

There's good news and bad news on bankruptcies, which have long been considered an unofficial indicator of the economy's health. "Total bankruptcies in the first half rose only 2 percent, to 27,471, over the period in 1984," said Joseph W. Duncan, chief econ-

omist at the Dun & Bradstreet Corporation. And the rise has slowed by 50 percent since 1984's first half. That's the good news.

The bad news is that bankruptcies in the service trades, the sector many economists are counting on to provide jobs and economic growth, soared in the first half by almost 26 percent over the year-earlier level.

Still, Mr. Duncan is optimistic, noting that many service-sector bankruptcies occurred among small companies formed during post-recession years—1983 or later. "Often undercapitalized, these small companies were burdened by high interest rates," he said. "With interest rates declining, the surviving companies face greatly improved chances of making it."

For all sectors, he added, signs point to "a leveling out or possibly a decline in bankruptcies—especially in service industries—by year-end."

Treasury's New Trove

Ever since interest rates began easing earlier this year, local governments have been busily raising money to refund bonds they sold when rates were much higher. And in an odd twist, some of the billions raised for refunds have helped the Federal Government finance its huge deficit.

That is because states and localities cannot use all the money they are borrowing at the lower rates to retire the costlier debt right away. Some of their higher-cost issues cannot be redeemed immediately "because they are protected against redemption for several years," explained Norman E. Mains, economist at Drexel Burnham Lambert in Chicago.

So local governments set up escrow funds dedicated to the eventual repayment of the higher-interest bonds. "Much of the cash raised from the refundings is parked in special non-marketable Treasury securities," said Mr. Mains. In this year's first half, the parked funds provided the Treasury with \$9.5 billion to help finance the deficit, said Mr. Mains, "and this source of cash is expected to grow much larger, assuming interest rates do not suddenly rebound."

The New York Stock Exchange

MOST ACTIVE STOCKS

WEEK ENDED AUG. 2, 1985

(Consolidated)

Company	Sales	Last	Net Chng
MidSu	11,940,500	11 1/2	+ 3
EastAir	11,044,500	11 1/2	+ 2 1/2
PanAm	10,689,200	7	+ 1/4
AT&T	6,250,400	21 1/2	+ 1/4
PhilPet	5,719,800	12 1/2	+ 1/4
NatSemi	5,717,100	14 1/2	+ 1/4
BankAmer	5,676,400	16 1/2	+ 1/4
IBM	5,567,800	131 1/2	+ 1/4
TarOG	4,891,400	16 1/2	+ 1
LeviStr	4,358,900	49 1/2	+ 1 1/2
UnEng	3,976,800	34	+ 2 1/2
ReynIn	3,961,000	29	+ 1 1/2
ITT Cp	3,587,400	33 1/2	+ 1/2
US Steel	3,527,300	31	+ 1 1/2
ColgPalm	3,487,300	28	+ 1 1/2

MARKET DIARY

Advances	Declines	Total Issues	New Highs	New Lows
682	1,110	2,240	157	22
729	1,287	2,245	278	15

VOLUME

Last Week	Year To Date
531,780,815	16,144,739,551
Same Per. 1984	696,162,760 13,664,668,540

WEEK'S MARKET AVERAGES

High	Low	Last	Chng
127.5	125.8	127.2	-0.71
113.4	108.9	113.0	+1.22
57.3	56.5	56.9	-0.37
117.5	114.5	117.1	+0.33
111.1	109.5	110.8	-0.50

Standard & Poor's

400 Indust	214.5	210.9	213.1	-1.29
20 Transp	180.9	175.4	179.9	+0.96
50 Utils	83.8	82.4	83.2	-0.41
40 Financial	22.7	21.9	22.6	+0.25
500 Comp	192.4	189.3	191.4	-0.92

Dow Jones

30 Indust	1361.9	1334.9	1353.0	-4.03
20 Transp	705.4	678.0	699.4	+17.00
15 Utils	158.1	154.0	156.8	-0.57
65 Comp	562.4	549.3	559.4	+1.22

The American Stock Exchange

MOST ACTIVE STOCKS

WEEK ENDED AUG. 2, 1985

(Consolidated)

Company	Sales	Last	Net Chng
Wicks	7,230,400	47 1/2	+3.16
WicksPl	1,578,000	30	+ 1/4
GuilCan	1,533,300	14	+ 1/4
ImpGo	1,403,700	2 1/2	+1 1/2
TexAir	1,195,700	18	+ 1/2
BAT In	1,163,200	45 1/2	+ 1/4
Hasbro	1,135,600	34 1/2	+ 1/4
Hmlns pl	927,000	20 1/2	+ 1/4
WangB	913,500	17 1/2	+ 1/4
EchoBay	912,400	13 1/2	+ 1/4

MARKET DIARY

Advances	Declines	Unchanged	Total Issues	New Highs	New Lows
306	443	160	909	55	22
326	437	151	914	77	22

VOLUME

Last Week	Year To Date
42,162,035	1,220,294,140
Same Per. 1984	42,178,400 890,999,675

The New York Times

Founded in 1851

ADOLPH S. OCHS, Publisher 1896-1935
ARTHUR HAYS SULZBERGER, Publisher 1935-1961
ORVILLE DRYFOOS, Publisher 1961-1983

ARTHUR OCHS SULZBERGER, Publisher
A. M. ROSENTHAL, Executive Editor
SEYMOUR TUPPING, Managing Editor
ARTHUR GELB, Deputy Managing Editor
JAMES L. GREENFIELD, Assistant Managing Editor
MAX FRANKEL, Editorial Page Editor
JACK ROSENTHAL, Deputy Editorial Page Editor
JOHN D. POMFRET, Exec. V.P., General Manager
RUSSELL T. LEWIS, Sr. V.P., Circulation
LANCE R. PRIMIS, Sr. V.P., Advertising
J. A. RIGGS JR., Sr. V.P., Operations
HOWARD BISHOP, V.P., Employee Relations
JOHN M. O'BRIEN, V.P., Controller
ELISE J. ROSS, V.P., Systems

And a Toast to Zenger's Jury

This day demands a tribute, professional as well as patriotic, to John Peter Zenger, the publisher of New York's first independent newspaper, and Andrew Hamilton, his wily Philadelphia lawyer. For today is the 250th anniversary of the libel trial at which they turned common law on its head and established the freedom of our press.

The Zenger legend dwells on the martyrdom of an immigrant printer abused by a tyrannical agent of the Crown. The legend thrives because Zenger and Hamilton roused a city of 10,000 to their cause and, while their opponents sulked, had the wit to print the only record of their heroics.

But Governor William Cosby did run a land-grabbing, vote-rigging administration. And his efforts to silence his critics provoked a crucial test of democratic principle. The Zenger case planted the seeds that flowered a half-century later in the First Amendment. It destroyed the pernicious doctrine that criticism of government is seditious even if true. And it showed how juries, backed by public opinion, can enlarge the spirit of the law.

Zenger was brought to New York from Bavaria in 1710 at the age of 13 and apprenticed to the city's only printer, William Bradford, who gave him more craft than grammar and a taste for independence. In time, Zenger opened his own shop on Smith Street, three blocks east of Broad Way, near Wall.

By 1733, with Bradford monopolizing the official printing work from Cosby, the new royal Governor, Zenger turned to printing the broadsheets of a liberal opposition, agitations that grew into pamphlets, finally a newspaper. The New-York Weekly Journal listed Zenger as printer but its guiding spirit was James Alexander, a lawyer and mathematician who anonymously each Monday unleashed bold assaults on the Governor's machinations.

The furious Governor asked the Assembly to endorse a public burning of the paper, but it refused. He asked a grand jury to indict the upstart printer, but it refused. So Cosby had Zenger jailed on his own information. The charge was printing "false, scandalous, malicious and seditious" articles that had accused the Governor of horrendous misrule, threatening nothing less than "slavery."

Not for the last time did such overwrought opinion drive authority to overreaction. Cosby sent his henchman, Chief Justice James Delancey, to run the trial. Zenger's bail was set absurdly high and his jailers began drawing jurors from the bottom of the

deck. A proper jury was finally picked, but only after Delancey had disbarred Alexander for protesting too much. Little did he dream that this would bring Andrew Hamilton, the Colonies' foremost lawyer, riding to the rescue from Pennsylvania.

Hamilton quickly confounded the case by conceding that Zenger had printed the offending papers. Since the judge and prosecutor were asking the jury only to confirm that fact, they stood triumphantly ready to receive a verdict, "apply" the libel law to the jury's fact and pronounce sentence.

Yet Hamilton insisted there could be no libel unless either the prosecutor proved the criticism false or the defense failed to prove it true. Nothing doing, ruled Justice Delancey. When seditious words undermine authority, their truth is irrelevant; indeed, in such a case, "the greater the truth the greater the libel."

If that hoary precept sounds absurd today, just substitute the words "national security" for authority. Now as then, when governors feel threatened by criticism, they are not easily deflected by its truth. That Americans learned to resist such censorship owes much to Hamilton's next move at this critical moment in the trial.

Turning his back to the Chief Justice, he announced, "Then Gentlemen of the Jury, it is to you we must now appeal." If his evidence of truth was to be suppressed, why that was his best evidence. And whether words are libelous surely depends on how they are understood. If upstanding New Yorkers understood the Journal's words to be true, how could they be condemned as scandalous?

Judges may understand the words differently. Hamilton argued, but citizens have a "natural" right to complain, and duty to protect every citizen's privilege of truthful complaint. "Of what use is this mighty privilege if every man that suffers is [kept] silent? And if a man must be taken up as a libeler for telling his sufferings to his neighbor?"

The jury "in small time" ruled not guilty, and while "a mixture of amazement, terror and wrath" appeared in the bench, the "jubilant crowd then adjourned to the Black Horse Tavern to celebrate."

Across the ages, then, an added toast: to the Zenger jury, for registering the public's understanding of a vital yet always difficult American idea — that the freedom of the press to challenge authority and convey complaints of the citizenry is indispensable in a free society.

The Amazing Shrinking Pork Barrel

To judge by stories of \$600 toilet seats and mountains of surplus butter, one might assume that Washington can never curb its inclination to waste money. In fact, Congress has just taken a monumental step toward fiscal responsibility. What makes it all the more amazing is that the prospective savings come from the political pork barrel — public works projects that turn little-known legislators into local heroes.

Before leaving for the August recess, a House-Senate conference committee required that local beneficiaries of 45 water projects around the country pay a substantial share of the projects' costs. The question now is whether Congress will extend cost-sharing formulas to another batch of new water projects to be voted on this fall.

Public investment in many dams, harbor and river improvements brings in a hefty return. But many others, like the multibillion-dollar Tennessee-Tombigbee waterway, benefit mainly special interests like land speculators, contractors, farmers, maritime unions and barge operators. Until last week, the most important criteria for deciding which projects would be built was political power.

President Carter, with the support of a brave Congressional minority, managed to slow the flow of funds for water improvements and to force some users to contribute to construction costs. But the

politics of pork changed fundamentally only when the Reagan Administration's Budget Office opposed spending for any new water project that did not pay a substantial part of its way.

Despite growing pressure for construction of 45 different projects, the Administration held its ground — and has now been rewarded. The Congressional appropriations committees finally caved in and agreed that Federal funds would not be spent on the 45 projects until it can be shown that special taxes and user fees will cover from 25 to 100 percent of the projects' cost.

The change will offer a welcome precedent. Congressional patrons of the 45 projects aren't likely to endorse sweeter deals for other legislators in other districts. But the cost-sharing precedent won't be etched in concrete until the originators of most water projects, the public works committees, write their own authorization bills adopting the new formulas.

That should not be a problem in the Senate, where fiscal responsibility is an easier sell. The test will come in the House Public Works Committee, which will consider a big omnibus water projects bill when Congress comes back in September. When there's a conflict between national interest and local pork in Washington, the outcome is usually predictable. This time there's a good chance to put pork over, not in, the barrel.

Topics

Stages of Growth

What a Doll

With an eye to the Christmas trade, the makers of those Cabbage Patch Kids have come up with a cuddly idea: a Rambo doll.

Coleco Industries isn't bothered by the anomaly that "Rambo" is one of the year's goriest movies, rated R for its violence so that children can see it only if brought by an adult. A spokesman explains: "We believe the character is emerging as a new American hero, a hero that has a high degree of excitement and patriotism and a thirst for justice associated with him."

To underscore its thirst for justice, Coleco plans a full line of doll accessories inspired by the Sylvester Stallone character who slays Vietnamese like ants. Tots will presumably be able to outfit Rambo with machine guns, grenade launchers and plastic explosives. And if other dolls misbehave,

or are missing in action, this new American hero can make a patriotic mess of the nursery.

This toy should be rated D for dumb.

Long Life

The seven obituaries published in The Times on Friday concerned vastly different men and women — among them a mathematician, France's former executioner, an advertising executive, a pioneer of big-band black American jazz. But all seven articles reported something fundamental in common. The ages at death were 83, 84, 86, 86, 87, 90 and 92.

That's anecdotal evidence, to be sure, of a familiar point. Everybody knows that people are living longer than ever. But the obituary ages also reflect something beyond the obvious.

Actually, American life expectancy, as usually defined, is not still going up. For two years, life expectancy at birth has been holding steady at about 75 years. What seems to be changing, dramatically, is life expectancy for mature adults.

Someone who had reached the age of 45 in the year 1900 typically could have expected to live to be 70. Now the figure is 78. A 65-year-old in 1900 typically could have expected to live to be 77; now the figure is 82. One explanation stands out: Many fewer people now die of heart attacks and stroke, what with improved diet and better treatment, including cardiac care units.

There is in this benign news a gloomy lesson about infant mortality in the United States and it can be quickly inferred. If life expectancy is holding steady even though older people are living longer, many babies clearly are not.

Letters

Meet Mr. Shevardnadze, Soviet Economic Reformer

To the Editor:

I was disturbed by both the tone and content of Dmitri K. Simes' "Be-ware Optimism About Gorbachev" (Op-Ed, July 21). The tone was set by such adjectives as "ruthless," "tough," "no-nonsense" and "brutal." I could see that I was in for a further exposition of President Reagan's "evil empire."

Even that the new Central Committee and Politburo members came from the "party apparatus" was used against them. The appointments were to high party positions: where did Mr. Simes expect them to come from — the Russian Orthodox Church?

More worrying were the errors. None of the appointees, Mr. Simes wrote, "has a reputation as an advocate of a market-oriented economic reform" and gave as an example the case of Eduard A. Shevardnadze, the new Foreign Minister. But Mr. Shevardnadze earned his reputation as First Secretary of the Georgian Communist Party for just such reforms.

The easy, Oriental style of Mr. Shevardnadze's predecessor had left the

Georgian republic's economy prostrate. There had been mismanagement, bribery, nepotism and systematic falsification of production statistics. In 1972, the first year of the new administration, corrupt practices were uncovered in over 50 ministries and governmental agencies. It was a situation calling for the toughness Mr. Simes attributes to Mr. Shevardnadze.

It also called for economic reforms, since at the basis of many of these practices was an economic system that skewed incentives and results. One of Mr. Shevardnadze's first experiments, according to Die Zeit of Hamburg, West Germany, for July 19, was in the Abkhaz region of Georgia, a former breadbasket of the country. It was announced that farmers who fulfilled their collective-plan quotas would receive a bonus of 10 percent of their produce; 20 to 70 percent would be added if they surpassed the quotas. The result was a dramatic increase in wheat production, from 7,854 metric tons in 1972 to 20,000 in 1976. Fruit and vegetable production experienced similar gains.

The experiment was later extended throughout Georgia and resulted in tripling the wine-grape harvest and doubling tea and citrus production. In March 1983, the Supreme Soviet in Moscow recommended it as a model for the other 14 Soviet republics.

A second experiment, in administrative reform, also attracted national attention. Its focus was Poti, a medium-size city of 50,000 with 70 industrial plants. In a typical case of bureaucratic strangulation, the plants were under the control of more than 30 agencies in Moscow and Tbilisi, capital of Georgia. In 1981, Mr. Shevardnadze consolidated controls under a single agency, the Territorial Interdepartmental Union. It provided regulatory relief and encouraged the city fathers of Poti to assume economic control of their local industry. Ten percent of the profits were used by the city to finance new industrial development. Between 1981 and 1985, industrial production rose 33 percent.

These are two of more than 30 experiments carried out by Mr. Shevardnadze. Their total effect was to double industrial production and more than double Georgia's standard of living.

At last May's plenary session of the Georgian Communist Party, Mr. Shevardnadze asserted that the consumer knows best "what and how much he wants to buy." He also stressed that service industries must have the same importance as industrial production. These are hardly the statements of someone uninterested in "a market-oriented economic reform."

What they do point to is an opportunity for the West. The men gathering around the Soviet leader, Mikhail S. Gorbachev, have a practical sense of the structural weaknesses and reforms needed to pull their economy out of its long stagnation. An aging industrial plant cries out for a modernization that requires Western trade and technology. In this light, Mr. Shevardnadze's appointment may well signal a foreign policy that focuses less on ideology than on economic realities. Whether or not this will make the Soviet Union take "a more accommodating line" — Mr. Simes's phrase — could depend on how tightly our own ideology constrains us. Mr. Simes's tone does not bode well for our response.

JAMES R. MENSCH
Bellevue, Wash., July 23, 1985

Animal Instinct and Human Intelligence

To the Editor:

Since abortion is a "legalized" crime permitted in our country today, maybe it would be wise to reflect on the efforts of animals to raise their young. For example, emperor penguins raise theirs in the dead of winter along the shores of the coldest lands in the world, Antarctica. Winds blow more than 100 miles an hour; temperatures of the penguin rookeries fall below minus 50 degrees Fahrenheit. To protect the eggs from the solid ice, the male takes the egg as soon as it is laid; he holds it on his feet for the full incubation period of nine weeks. Since courtship may have taken four or five weeks, the breeding males normally fast for three-and-a-half months in the coldest part of winter. Standing for two whole months of this time with their eggs balanced on their feet, under the most severe weather conditions and without food, they lose over half of their body weight. We call this instinct?

In contrast, doctors in comfortable



offices throughout this country (including small Lodi and very large New York) terminate life in but a few minutes. We call this intelligence?

RON ARTHUR
Lodi, Calif., July 26, 1985

Free Public Schools The Rule in Colonies

To the Editor:

George E. Weiner (letter, July 25) mentions the Boston Latin School as a free public school, to refute Justice Sandra Day O'Connor's statement that there were no public schools when the First Amendment was written.

The Boston Latin School pioneered free public secondary education in the colonies, but was not the only free public school.

Massachusetts Bay Colony, by legislation in 1643 and 1647, made education compulsory in the primary grades and required towns to establish public schools. This education model was followed by the colonies-to-be-states and states generally. These were public schools open to all, compulsory to all and supported by government. Religion was an integral part of the curriculum. By the Revolution the great majority of children in the northern colonies were educated in public schools.

Indeed, the two greatest contributions of the Puritans to America were democracy and free public education.

ROBERT W. LORD
New York, July 26, 1985

'To Break, Blow, Burn, and Make Me New'

To the Editor:

"A Celebration of Life on Site of First Atom Blast 40 Years Ago" (July 17), from Trinity Site, N.M., notes, "no one seems to know why J. Robert Oppenheimer, director of the bomb-building effort, chose that name," viz., Trinity. Oppenheimer biographers trace its origin to one of the Holy Sonnets of the English divine John Donne (1572-1631), whose verse on the life-renewing power of the Trinity converged with Dr. Oppenheimer's growing conviction that the first test of the implosion bomb would unleash a force destined ultimately to free humanity from the destructive power of nationalism and war.

Batter my heart, three-personed God, for you
As yet but knock, breathe, shine
And seek to mend.
That I may rise and stand, o'er-throw me and bend
Your force to break, blow, burn,
And make me new.

When the Manhattan Project was sited at Jornada del Muerto in southern New Mexico, a code name had to be found. Reading Donne's poem at

the time, Dr. Oppenheimer is reported to have said, "Trinity! We'll call it Trinity!"

After the devastation of Hiroshima on Aug. 6, 1945, and Nagasaki on Aug. 9, in which 105,600 people were killed outright, Dr. Oppenheimer became despondent about the test at Trinity and pessimistic about the bomb's ability to "break, blow, burn" and make humanity new. Talks with President Truman convinced him that the U.S. was not interested in discussing international controls of atomic energy.

Less than three months following the bombing, on Oct. 16, 1945, during ceremonies in which the Army certificate of commendation was presented to the Los Alamos laboratory team, Dr. Oppenheimer made a public statement more somber and prophetic than the lines from Donne: "If atomic bombs are to be added to the arsenals of a warring world or to the arsenals of nations preparing for war, then the time will come when mankind will curse the names of Los Alamos and Hiroshima."

PAUL A. WEE
General Secretary
Lutheran World Ministries
New York, July 19, 1985

Restore the Grain-Reserve Programs

To the Editor:

When farmers in the United States are suffering their worst crisis since the Great Depression and millions of people are going hungry in Africa and elsewhere, it is difficult to fathom members of the Senate supporting a policy that makes things worse for our farmers while threatening the lives of many more hungry people. Yet in a purely partisan vote last week, the nine Republican members of the Senate Agriculture Committee did just that, voting to eliminate the grain-reserve programs operated by the Government. These programs, which include the farmer-owned reserve and the food security wheat reserve, help protect against shortages in world food supplies and interruptions in food-aid shipments.

The committee's action will replace these reserves with a much smaller grain reserve proposed by the Administration. This reserve, limited to less than 5 percent of total U.S. annual use of grain, would be much too small to protect against food shortages. Though the Administration proposes to use this reserve "to meet urgent humanitarian needs," there are no safeguards in the bill to assure that food will actually get to the neediest people and that the program will not be used simply to dump surplus grain or for purely political purposes.

Judging by other Administration proposals for "humanitarian" assistance, such as that to the "contras" battling Nicaragua, my confidence that this reserve grain would be spent well is not great.

Eliminating present reserves and

reducing reserves to the proposed levels will add to the grain glut overwhelming the market. Under the proposal, more than two billion bushels of farmer-owned reserves and Government-owned grain, held off the market unless prices rise significantly, could be put on the market at prices little higher than the present ones. This would assure that farmers will continue to face the low prices that are forcing so many out of business.

It might seem that this policy has been pursued to save Government money and "get the Government out of agriculture." However, it will result in more Government involvement in agriculture and greater Government costs as the Government ends up owning much larger quantities of grain when present farmer-owned reserve contracts expire. Of course, the Government will try to sell these grain stocks as soon as it can, and when it does, the price-depressing effect will cause the Government to pay more in price-support payments than it will save in storage payments.

In short, the Agriculture Committee's action is poorly conceived policy; the senators should restore the grain-reserve programs in their present form.

JOHN PENDER
Agriculture Policy Analyst
Bread for the World
Washington, July 27, 1985

Some Ways to Recycle New York Hospitals

To the Editor:

"Hospitals Facing Cuts and Closings as Stays Shorten" (page A1, July 15), Anthony L. Watson, director of the New York City Health Systems Agency, says, "We are not talking anymore about closing beds or even wards and services, we're talking about closing hospitals." And later, "It is our conviction that any hospital with less than 200 beds may not survive." He urges closing most, if not all, the city's small proprietary hospitals.

You quote state health officials saying, "one-fourth of the city's hospital beds are unnecessary," and about "25 percent of the 36,489 beds in our hospitals are underused or unnecessary." I would guess as many as 15,000 hospital beds are no longer required.

Surely, we can do better than to close the buildings or allow them to remain unused. For instance, they could probably be used without alteration to provide beds for the city's homeless. Altered, they could provide apartments for those on welfare now housed at exorbitant rents in undesirable and inadequate "hotel" rooms.

A "hospital" was once defined as "a house, often charitable, for old people, the infirm, the impoverished or foundlings."

PERCY GOODMAN
New York, July 16, 1985



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Hiroshima Remembered

The U.S. Was Wrong

By Gar Alperovitz

WASHINGTON — Though it has not yet received broad public attention, there exists overwhelming historical evidence that President Harry S. Truman knew he could almost certainly end World War II without using the atomic bomb: The United States had cracked the Japanese code, and a stream of documents released over the last 40 years show that Mr. Truman had two other options.

The first option was to clarify America's surrender terms to assure the Japanese we would not remove their Emperor. The second was simply to await the expected Soviet declaration of war — which, United States intelligence advised, appeared likely to end the conflict on its own.

Instead, Hiroshima was bombed Aug. 6, 1945, and Nagasaki on Aug. 9. The planned date for the Soviet Union's entry into the war against Japan was Aug. 8.

The big turning point was the Emperor's continuing June-July decision to open surrender negotiations through Moscow. Top American officials — and, most critically, the President — understood the move was extraordinary: Mr. Truman's secret diaries, lost until 1978, call the key intercepted message "the telegram from Jap Emperor asking for peace."

Other documents — among them newly discovered secret memoranda from William J. Donovan, director of the Office of Strategic Services — show that Mr. Truman was personally advised of Japanese peace initiatives through Swiss and Portuguese channels as early as three months before Hiroshima. Moreover, Mr. Truman told several officials he had no objection in principle to Japan's keeping the Emperor, which seemed the only sticking point.

American leaders were sure that if he so chose "the Mikado could stop the war with a royal word" — as one top Presidential aide put it. Having decided to use the bomb, however, Mr. Truman was urged by Secretary of State James V. Byrnes not to give assurances to the Emperor before the weapon had been demonstrated.

Additional official records, including minutes of top-level White House planning meetings, show the President was clearly advised of the importance of a Soviet declaration of war: It would pull the rug out from under Japanese military leaders who were desperately hoping the powerful Red Army would stay neutral.

Gen. George C. Marshall in mid-

Truman need not have dropped the bomb

June told Mr. Truman that "the impact of Russian entry on the already hopeless Japanese may well be the decisive action levering them into capitulation at that time or shortly thereafter if we land."

A month later, the American-British Combined Intelligence Staffs advised their chiefs of the critical importance of a Red Army attack. As the top British general, Sir Hastings Ismay, summarized the conclusions for Prime Minister Winston Churchill: "If and when Russia came into the war against Japan, the Japanese would probably wish to get out on almost any terms short of the dethronement of the Emperor."

Mr. Truman's private diaries also record his understanding of the significance of this option. On July 17, 1945, when Stalin confirmed that the Red Army would march, Mr. Truman privately noted: "Final Japs when that comes about."

There was plenty of time: The American invasion of Japan was not scheduled until the spring of 1946. Even a preliminary landing on the island Kyushu was still three months in the future.

Gen. Dwight D. Eisenhower, appalled that the bomb would be used in these circumstances, urged "Mr. Truman and Secretary of War Henry L. Stimson not to drop it. In his memoirs, he observed that weeks before Hiroshima, Japan had been seeking a way to surrender. "It wasn't necessary," he said in a later interview, "to hit them with that awful thing."

The man who presided over the Joint Chiefs of Staff, Adm. William D. Leahy, was equally shocked: "The use of this barbarous weapon at Hiroshima and Nagasaki was of no material assistance in our war against Japan. The Japanese were already defeated and ready to surrender."

Why, then, was the bomb used? American leaders rejected the most obvious option — simply waiting

for the Red Army attack — out of political, not military, concerns.

As the diary of one official put it, they wanted to end the war before Moscow got "in so much on the kill." Secretary of the Navy James V. Forrestal's diaries record that Mr. Byrnes "was most anxious to get the Japanese affair over with before the Russians got in."

United States leaders had also begun to think of the atomic bomb as what Secretary Stimson termed the "master card" of diplomacy. President Truman postponed his Potsdam meeting with Stalin until July 17, 1945 — one day after the first successful nuclear test — to be sure the atomic bomb would strengthen his hand before confronting the Soviet leader on the shape of a postwar settlement.

To this day, we do not know with absolute certainty Mr. Truman's personal attitudes on several key issues. Yet we do know that his most important adviser, Secretary of State Byrnes, was convinced that dropping the bomb would serve crucial long-range diplomatic purposes.

As one atomic scientist, Leo Szilard, observed: "Mr. Byrnes did not argue that it was necessary to use the bomb against the cities of Japan in order to win the war. Mr. Byrnes' view [was] that our possessing and demonstrating the bomb would make Russia more manageable."

□

Michael Todd

By Paul Boyer

MADISON, Wis. — Where were you when you first heard about the atomic bomb? My guess is that most Americans over the age of 50 can answer that question instantly.

Aug. 6, 1945 was one of those days that stick in the brain. The most trivial details of such days can often be recalled, decades later, simply because they are associated with the moment one first heard a piece of shocking or frightening news.

I must confess that the radio newscasts of that distant August afternoon have blurred a bit in my mind. But the newspaper memory remains starkly vivid. I can visualize just where the afternoon edition of the Dayton Daily News was lying in our kitchen when my eye caught the riveting headline. I can recall reading it aloud to my parents, mispronouncing the strange new word "A-bomb" because I had never heard anyone say it before.

Other people, older than I, were also deeply shocked by President Harry S. Truman's announcement. It was a moment that, even then, struck many as a radical turning point in human history, and a surprising number felt impelled to put pen to paper and record their feelings and reactions.

In New York City, Norman Cousins, editor of The Saturday Review of Literature, spent the night of Aug. 6 composing an impassioned essay, "Modern Man Is Obsolete." The

Paul Boyer is professor of history at the University of Wisconsin and author of the forthcoming book "By the Bomb's Early Light: American Thought and Culture at the Dawn of the Atomic Age."

ESSAY | William Safire

Too Much 'Process' Can Set Back Peace

WASHINGTON — Negotiations are always good in themselves, right? If the Middle East "peace process" is moved along, who can complain?

That is the attitude of our State Department's Near East Bureau, which seems to enjoy getting seduced and then double-crossed every few years by Jordan's King Hussein. Negotiation is tempting our diplomats into an intervention that would advance process but undermine peace.

Today the seventh floor at Foggy Bottom is awither with the possibility of circumventing an agreement with Israel not to deal with a terrorist P.L.O. Our diplomats snatched up a notion advanced by King Hussein for the U.S. to meet a delegation including Palestinians chosen by Yasir Arafat, but not officially designated as P.L.O. After that, the "process" is supposed to continue with a meeting among Arabs, Israelis and Americans.

Processniks at State say: What could be wrong with "paving the way" for talks between Arabs and Israelis with this inconsequential, procedural, preliminary chat?

Plenty; even Shimon Peres belatedly sees the trap. If King Hussein were prepared to make peace with Israel, and to negotiate the status of

atomic bomb had made nationalism outmoded and dangerous, he argued; only a world government could save mankind.

In Charlotte, N.C., a country-music singer, Fred Kirby, also spent a sleepless night after hearing the news. The next day, he wrote "Atomic Power," a song evoking grim images of divine judgment and apocalyptic destruction. It caught on immediately and, for several weeks early in 1946, was on Billboard's list of top country favorites.

At his summer cottage in Kennebunk, Maine, the Rev. John Haynes Holmes of New York City's Community Church was enjoying the ocean view when he heard the report. "Everything else seemed suddenly to become insignificant," he wrote a few days later. "I seemed to grow cold, as though I had been transported to the waste spaces of the moon. The summer beauty seemed to vanish, and the waves of the sea to be pounding upon the shores of an empty world. . . . For I knew that the final crisis in human history had come. What that atomic bomb had done to Japan, it could do to us."

In Pelham Manor, N.Y., Patricia E. Munk had just returned from the hospital, having given birth to her second son, when the word arrived. "Since then," she wrote in a letter six days later, "I have hardly been able to smile, the future seems so utterly grim for our two little boys. Most of the time I have been in tears or near tears, and fleeing but torturing regrets that I have brought children into the world to face such a dreadful thing as this have shivered through me. It seems that it will be for them all their lives like living on a keg of dynamite which may go off at any moment."

The atomic bomb announcement

The fear felt Aug. 6, 1945, will be felt Aug. 6, 1985

elicited very little celebration. A few newspapers published gloating editorials and cartoons; a radio comedian joked about Japan's "atomic ache." Another said the bomb "made Hiroshima look like Ebbetts Field after a game between the Giants and the Dodgers." For most Americans, however, the news brought not joy but profound apprehension.

The St. Louis Post-Dispatch warned on Aug. 7 that science may have "signed the mammalian world's death warrant, and deeded an earth in ruins to the ants." The next day, The Milwaukee Journal published a map of Milwaukee overlaid with concentric circles showing the pattern of destruction in Hiroshima.

The more highly placed the observer, it seemed, the deeper the uneasiness. Washington D.C., a reporter wrote, was "pervaded by a sense of oppression." "For all we know," intoned the radio announcer H. V. Kaltenborn in his broadcast on the evening of Aug. 6, "We have created a Frankenstein! We must assume that with the passage of only a little time, an improved form of the new weapon we used today can be turned against us."

This primal fear of extinction cut across all political and ideological lines, from the staunchly conservative Chicago Tribune, which wrote of

an atomic war that would leave the earth "a barren waste, in which the survivors of the race will hide in caves or live among ruins," to the liberal New Republic, which on Aug. 20 offered an almost identical vision of a conflict that would "obliterate all the great cities of the belligerents, bring industry and technology to a grinding halt," and leave only "scattered remnants of humanity living on the periphery of civilization."

From our contemporary perspective, perhaps, such cataclysmic imagery seems so familiar as to be almost trite — if visions of universal destruction can ever become trite. But it is sobering to realize how quickly these dark visions surfaced. Within hours of President Truman's announcement, and years before the world's nuclear arsenals made such a holocaust likely or even possible, the prospect of global annihilation already filled the nation's consciousness. In the earliest moments of the nuclear era, the fear that would come to haunt millions of people not yet born in 1945 had already found urgent expression.

In most cases, our memories of even the highest moments of public drama are eventually filed away: They become a reassuring part of our general stock of recollections, to be brought out and nostalgically relived from time to time. But Aug. 6, 1945, is different. After 40 years, it still has not receded into that safe and static realm we call "the past."

H.V. Kaltenborn's Frankenstein still roams; The Post-Dispatch's kingdom of the ants still waits in the wings. The stab of fear we felt when we read that first newspaper headline or heard that first radio bulletin may have receded from the center of our awareness, but it remains with us still.

By John Connor

SACRAMENTO, Calif. — Forty years ago this week in Hiroshima: the dreadful flash, the wrist watches fused forever at 8:16 A.M. The question still persists: Should we have dropped the atomic bomb?

History seldom gives decisive answers, but recently declassified documents point to a clear judgment: Yes, it was necessary to drop the bomb. It was needed to end the war. It saved countless American and Japanese lives.

In the early summer of 1945, Japan, under tight control of the militarists, was an implacable, relentless adversary. The Japanese defended territory with a philosophy we had seldom encountered: Soldiers were taught that surrender was worse than death. There was savage resistance to the end in battle after battle.

Of the 5,000-man Japanese force at Tarawa in November 1943, only 17 remained alive when the island was taken. When Kwajalein was invaded in February 1944, Japanese officers slashed at American tanks with samurai swords; their men held grenades against the sides of tanks in an effort to disable them.

On Saipan, less than 1,000 of the 32,000 defending Japanese troops survived. Casualties among the Japanese-ruled civilians on the island

numbered 10,000. Parents bashed their babies' brains out on rocky cliff sides, then leaped to their deaths. Others cut each other's throats; children threw grenades at each other. America suffered 17,000 casualties.

Just 660 miles southeast of Tokyo, two Jima's garrison was told to defend the island as if it were Tokyo itself. They did. In the first day of fighting, there were more American casualties than during "D-Day" in Normandy. At Okinawa — only 350 miles south of Kyushu — more than 110,000 Japanese soldiers and 100,000 civilians were killed. Kamikaze attacks cost the Navy alone some 50,000 casualties. The Army and Marines lost more than 50,000 men.

In the early summer of 1945, the invasion of Japan was imminent and everyone in the Pacific was apprehensive. The apprehension was justified, because our intelligence was good: With a system code-named "Magic," it had penetrated Japanese codes even before Pearl Harbor. "Magic" would play a crucial role in the closing days of the war.

Many have maintained that the bomb was unnecessary because in the closing days of the war intercepted Japanese diplomatic messages disclosed a passionate desire for peace. While that is true, it is irrelevant. The Japanese Government remained in the hands of the militarists: Their messages indicated a willingness to fight to the death.

Japanese planes, gasoline and ammunition had been hoarded for the coming invasion. More than 5,000 aircraft had been hidden everywhere to be used as suicide weapons, with only enough gas in their tanks for a one-way trip to the invasion beaches. More than two million men were moving into positions to defend the home islands.

The object was to inflict such appalling losses that the Americans would agree to a treaty more favorable than unconditional surrender. The Army Chief of Staff, Gen. George C. Marshall, estimated potential American casualties as high as a million.

The willingness of the Japanese to die was more than empty bravado. Several of my colleagues at Kyushu University told me that as boys of 14 or 15, they were being trained to meet the Americans on the beaches with little more than sharpened bamboo spears. They had no illusions about their chances for survival.

The Potsdam declaration calling for unconditional surrender was beamed to Japan on July 27. On July 30, the Americans were informed that

Countless lives were saved

Japan would officially ignore the ultimatum. A week later, the bomb was dropped.

Could we not have warned the Japanese in advance, critics asked, and dropped a demonstration bomb? That alternative was vetoed on the grounds the bomb might not work, or that the plane carrying it might be shot down. Moreover, it is questionable how effective a demonstration bomb might have been. The militarists could have imposed a news blackout as complete as the one imposed after the disastrous battle of Midway and continued on their suicidal course. That is exactly what happened at Hiroshima. Within hours, the Japanese Government sent in a team of scientists to investigate the damage. Their report was immediately suppressed and was not made public until many years after the war.

After midnight on Aug. 10, a protracted debate took place in an air-raid shelter deep inside the Imperial Palace. The military insisted that Japan should hold out for terms far better than unconditional surrender. The peace faction favored accepting the Potsdam declaration, providing that the Emperor would be retained. The two factions remained at an impasse. At 2 A.M., Prime Minister Kantaro Suzuki asked the Emperor to decide. In a soft, deliberate voice, the Emperor expressed his great longing for peace. The war had ended.

It was impossible, in August 1945, to predict the awesome shadow the bomb would cast on humanity. The decision to drop it seemed both simple and obvious. Without it, the militarists might have prevailed, an invasion ordered. And the loss of both American and Japanese lives would have been awesome.

The atomic bomb accomplished what it had been designed to do. It ended the war.

John Connor is professor of anthropology at California State University, Sacramento. He was attached to Gen. Douglas MacArthur's headquarters in Tokyo in 1949 and 1950.

Beware negotiationitis in the Mideast

Arabs living on Israel's side of the Jordan River, he could do so directly, Sadat-style. Now is the time, with the P.L.O. defeated and dispersed and no longer a threat to his regime, for direct talks. What is stopping him?

What stops King Hussein is the desire to get the end of the "process" decided by the U.S. before it begins. His sole purpose in avoiding direct dealing with Israel — instead, demanding a session with the U.S. diplomats and Mr. Arafat's men first — is to entrap the Americans into promising to pressure Israel to hand over the area seized and then lost by Jordan in wars of aggression, now dubbed the West Bank.

Assistant Secretary of State Richard Murphy knows this. (Murphy's New Law: If anything can go wrong with Ronald Reagan's policy in the Middle East, it will.) He is eager to intervene because he can pretend not

to be imposing a settlement while doing exactly that. All he will have to say to Mr. Arafat's men is that our policy of September 1982 is unchanged.

That single greatest blunder of the Shultz tenure kicked over the no-imposition guarantee of the Camp David accords and in effect told Israel to hand over its territory to some confederation of Jordan and the P.L.O. in disguise.

That won't happen. The idea, dear to the hearts of outside processniks, is a nonstarter. No government in Israel, not Labor, not Likud, not the Government of National Paralysis, will consider it. Israelis know what would happen if they withdrew from that part of their heartland: King Hussein and the P.L.O.'s Arafat and Syrian factions would go to war over it. What is now a relatively peaceful, productive, promising part of Israel — and a potential bridge between the next generation of Arabs and Jews — would be Lebanonized.

Handing over the West Bank would restart a "war process," which no sane Israeli policy will ever permit. The fact that the U.S. encourages talk of its possibility makes it hard for Arab Palestinians who want peace in that area to deal constructively with Israelis; rightly, they worry that if

the P.L.O. takes over, they would be

gunned down as collaborators. The more that State Department Arabists encourage the fantasy of a U.S.-imposed handover, the longer it will take for Arabs on the scene to accept reality and build a new life. That's what makes the so-called preliminary meeting behind Israel's back so pernicious.

We would not only legitimize and strengthen the P.L.O., we would be committing ourselves to an outcome disconnected to reality. We are now about to mislead Arabs into thinking we can push Israel into abandoning its territorial security; we are also about to poison our relations with our ally in its darkest economic hour.

For what? For some "process" that accepts the wrongheaded notion that carving up Israel will buy peace. The U.S. should stop kidding itself that it can provide the means to reconcile ends that are irreconcilable.

Diplomatists find it hard to grasp that negotiation is not an end in itself. But when it dramatizes and sharpens different goals, the process prevents healing.

Let King Hussein accept Prime Minister Peres's invitation to direct talks. The United States should not be suckered into any deal that obligates us to deliver the undeliverable.

Arts & Leisure

There Is Real Drama in 'Winterreise'

By DONAL HENAHAN

Two lawyers look over a deed, a will or a contract. If the document is properly drawn up, they can agree on what the words mean. However, two equally careful readers, not necessarily lawyers, may ponder a poem and come away with radically different impressions. Add music to the poetry and the chances of perfect agreement diminish further. Enter, interpretation.

And enter, arguments. Oh, such arguments. Do you think you know what Wagner's "Ring" means? If so, you are entitled to set up shop as a Wagner commentator, or try to. If nobody in the world agrees with you, so much the better, so long as your interpretation stays within certain hazy but still discernible boundaries. Should you propose, let us say, that Wagner intended the "Ring" as a parody of Kabuki or a line-by-line explication of the Edict of Worms, other Wagnerians might feel justified in ignoring you. There are limits, even in interpretation.

I bring up the matter because a dedicated Schubertian has questioned a thumbnail outline of "Winterreise" that I offered in a recent article about the sins committed in the name of music drama by some currently celebrated opera directors. The 24 Wilhelm Müller poems that make up this song cycle describe the decline into madness — and, as I would contend, death — of a man who has lost his beloved to a more socially desirable rival. The final song, "Der Leiermann," tells of the deranged fellow's encounter with an old organ grinder, to whom he says, "Strange old man, shall I go with you? Will you grind out my songs on your hurdy-gurdy?" The piano music accompanying



Franz Schubert wanted nothing more than to succeed in the theater.

this pathetic plea is remarkably stark, no more than a smattering of droning melody notes accompanied by a left-hand accompaniment in open fifths, a purposely primitive device that evokes an awful, piercing emptiness.

Dietrich Fischer-Dieskau, in his biographical study of Schubert's songs, puts it this way: "Der Leiermann" is not only the emotional nadir of the cycle — this song is the culmination of everything that Schubert ever wrote, for there is no escape from this agony... Life has little more to offer in these lines. The effect on the listener is paralyz-

ing." The man has come to the end of the road, and no one who really listens to this final song could think otherwise.

Well, almost no one. Some commentators, refusing to accept that Schubert could have ended as a nihilist who meant the broken man to sink into nothingness, have grasped at the possibility that the madman ultimately finds some sort of 11th-hour redemption in friendship with a fellow tramp and social outcast, an old organ grinder. He thus would become a Romantic version of Tom Rake-well, who declines into a similar state of blissful insanity in Stravinsky's "Rake's Progress." However, such a modern ironic interpretation, even if defensible from a literal reading of Müller's unsophisticated poems, is denied throughout the cycle by the music, which is one long dying fall from first to last. Never is the mood more desolate and hopeless than in the final song, whose music tells us unmistakably that the end has come. The winter traveler has reached his goal.

The poems themselves continually allude to death and heard in consort with Schubert's music, continually predict it. A few examples will serve. In "Die Krähe," the man asks a circling crow, that "curious creature," to stop following him: "Do you mean, as prey, soon to seize upon my body? ... Crow, let me show at last faithfulness unto the grave!" In the following song, "Letzte Hoffnung," the man sees a falling leaf as an augury: "I myself sink with it to the earth, and weep upon the grave of my hope." In "Der Wegweiser," his end is even plainer: "I must travel

a road by which no one has ever returned." In "Das Wirtshaus," he finds all the rooms in the inn taken and he must move on even though "I am so weary I can hardly stand, and mortally wounded." That last German phrase ("und tödlich schwer verletzt") leaves little doubt as to the outcome of this winter journey.

But what about the suggestion that the final song, "Der Leiermann," shows the man making some kind of last-straw human connection with the old organ grinder? Here is where I would go beyond the literal text and insist that the "strange old man" is not a fellow down-and-out but death himself, who has come to claim the poor madman. This is not death in any fearsome guise, but a benign messenger like the kindly specter in Schubert's "Death and the Maiden" who consoles the frightened girl: "Give

Schubert's song cycle explores dark realms of the imagination.

me your hand, lovely and gentle creature! I am your friend, and do not come to punish you. Be of good cheer! I am not fierce! You shall sleep softly in my arms."

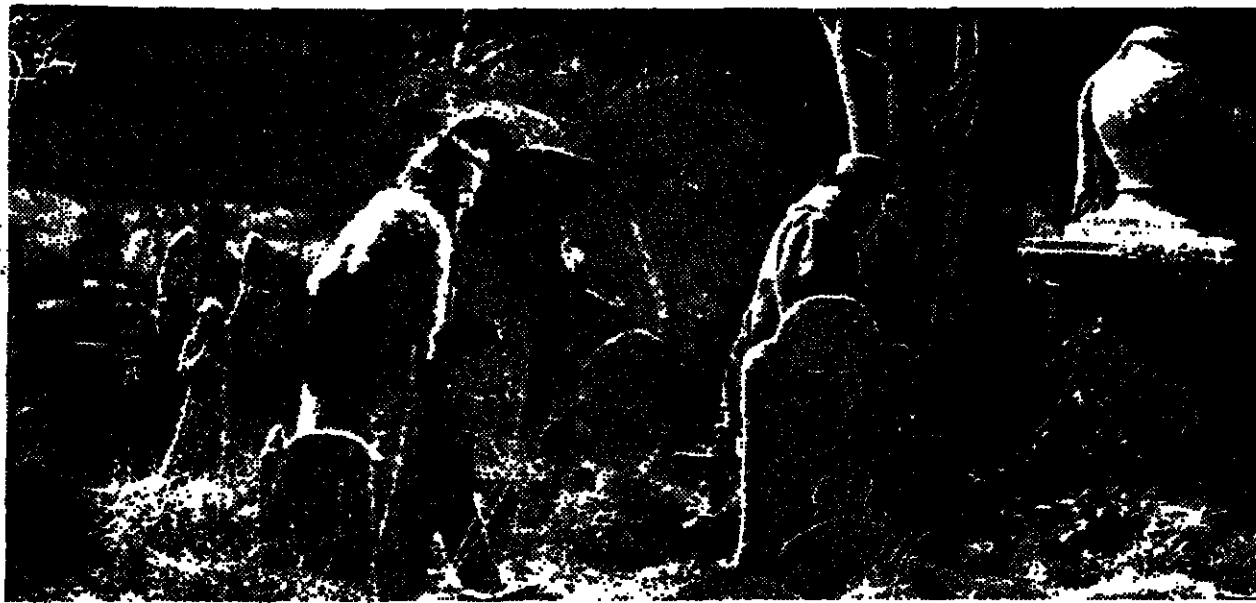
In using "Winterreise" as a point of departure in a discussion of opera, I risked being informed by letter writers that Schubert's song cycle is not an opera. Thoughtful readers are always eager to help out in that way. But "Winterreise" is a music drama in a larger sense, 24 brief scenes that go beyond the well-charted bounds of lieder into dark realms of the imagination that no opera stage could contain. A mounting of the cycle, perhaps orchestrated and in the tableau style of those German stagings of the "St. Matthew Passion," might be possible, but the result would surely be fatally banal. Schubert's dramas are simply not of this world.

Schubert wrote eight complete, intermittently lovely operas and/or singspiels, and left others in fragmentary condition. He wanted nothing more than to succeed in the theater, but his temperament and his outlook on existence worked against him. Although by all contemporary accounts anything but an introvert, he looked only inward for his dramas, rarely out on the world or even into his own cozy social circles.

Opera librettos can be concerned with manners and social comment, the sweep of history, politics and power, or any number of other themes, but they cannot do without strong, confrontational characters, people who act in recognizably human ways even if they are nominally gods or demons. Schubert could not write a successful opera because he could not get his drama out of his head and onto a stage. Even when the librettos suggest strong action, his music consistently misses the conventionally effective point. His songs, especially, are in the nature of daydreams or idealized nature paintings, not dramas of the flesh. There is little hint in his vast output of songs that he actually led a sociable and at times even fleshly life. Most are stylized meditations in the pastoral and Classical tradition. The theatrical flair and melodramatic intensity of "Erlkönig" at the beginning of his career is the exception not the rule.

No, "Winterreise" is not an opera, and I do not expect to see it staged this season or next by any of our renowned opera directors. Thanks for that, anyway.

Grim Tale of Victorian Britain



Jonathan Pryce, left, and Stephen Rea, who will be seen in the film "The Doctor and the Devils"—a story about the struggle between good and evil

By FABIENNE MARSH

LONDON In the early 19th century, British surgeons relied on body snatchers and murderers to supplement the meager supply of corpses available for dissection. The law allowed anatomists the bodies of 10 executed people a year, but no surgeon seeking to refine his craft, or to further medical research, could make do with the hangman's quota.

"The Doctor and the Devils," a film to be released this fall, is based on the true story of Burke and Hare, two Irish immigrants who killed lodgers in their boarding house and delivered the bodies to the celebrated Edinburgh anatomist Dr. Knox, for dissection.

Their story captured the imagination of Dylan Thomas, who wrote a screenplay in 1953 that was adapted by Ronald Harwood (who wrote "The Dresser") for Brookfilms Ltd. Thomas changed the names Burke and Hare to Fallon and Broom, and Dr. Knox became Dr. Rock. The plot is summarized by the ghoulish chant of the crowds who demand that the trio be brought before the courts: "Fallon's the butcher, Broom's the thief, and Rock's the boy who buys the beef."

Shooting for "The Doctor and the Devils" was recently completed. On the last day of work, the director, Freddie Francis, was in the graveyard, filming an equally unsavory team of grave robbers. The set was reached by going through the largest interior set the film industry has seen in decades.

"I went right through two stages because we didn't have enough room," said Robert Laing, the production designer. The result was a cobbled marketplace whose tavern, hovels, whorehouse and town hall filled interiors C and D at Shepperton Studios outside London with a replica of life in England in the 1830's.

"It's something that hasn't really been done in 40 years," said the producer, Jonathan Sanger. "The first day of shooting on this main set, we had about 200 extras and probably a dozen horses. We had goats, chickens and pigs. Between the two full stages was a huge open archway, and we could run horses and carts through the arch, down the length of the streets."

As one walked through the set, the

authenticity persisted. A notice posted on a bulletin board said that at 2:30 P.M. Dr. Rock — played by Timothy Dalton, a star of the television miniseries "Mistral's Daughter" — was to lecture on "Dissection and the Vital Organs."

"It's a gag," Mr. Laing said as he walked through the winding streets that approached the graveyard, "but we used to say that we would never go down these alleys unless we were in twos because we were afraid of being mugged."

Beyond the door of the adjacent studio, Mr. Francis was directing two body snatchers and a priest. "It's cold as death tonight," the grave robber muttered as his partner smashed a coffin's clasp with a pick. And so it was. Mr. Francis, in a beige parka, stood by the edge of the fresh grave amid frosted leaves, gnarled trees and polystyrene tombstones.

"Pull him out!" the director yelled, and the team yanked the corpse from five feet under with a grappling iron and rope. "Breathe, Johnny!" Mr. Francis ordered the actor, whose moldy body was the product of a three-hour makeup session and the knowledge gained by the makeup artists on an excursion to a morgue.

After this take, the director asked for more snow on the set and, in the meantime, talked about the film. Because his director of photography, Gerry Turpin, with whom he worked on "Dune," was ill, Mr. Francis said, he was doing the two jobs that characterize most of his professional life: one, as director of photography, the other as director. As director of photography, his last project for Mei Brooks, executive producer of Brookfilms, was "The Elephant Man." As a director, he has worked on more than 30 horror films, but he said he regarded "The Doctor and the Devils" as his serious directorial debut because it was not another horror picture.

On the contrary, Mr. Francis, Mr. Sanger and Mr. Harwood have kept the moral issues developed by Thomas central to their screenplay. "If Dylan Thomas were to know about this film," Mr. Francis contended, "he would certainly not turn in his grave."

"Dylan Thomas liked the idea of doing a story based on the idea of the end justifying the means," said Mr. Sanger. "I don't think he intended it as a horror film. I think Dylan

Thomas intended it as a moral fable — the component of that being, human life is more important than the search for knowledge.

"The doctor is somebody who is so single-minded about his belief in the necessity for medical research that he completely overlooked the fact that prostitutes and beggars and people like that had been killed. In some way, he must have believed that his work was more important than their lives. We have not changed the characters greatly. I think our intention in the movie is very similar to the intention of Dylan Thomas."

Commenting on the title of the film, he said, "It's a story about a struggle between good and evil, the devils being represented by Fallon and Broom."

Jonathan Pryce, who plays Fallon, is on the devil's side of this moral tale. The actor said Fallon and Broom "live in extreme poverty and they will do anything to make money — they're pretty mindless." His approach to the historical character Burke was instinctive. "It's trying to do something with a lack of intelligence," Mr. Pryce said. "To do that, I don't think too much about what I'm doing. I don't prepare minutely beforehand."

He contrasts his role with that of Dr. Rock: "He carries the moral burden of the film," Mr. Pryce remarked, adding, with a smile, "We carry the immoral burden."

As guardian of the film's moral issues, Mr. Dalton — who assisted with an autopsy to help prepare himself for his role — is provided with soliloquies that, for the most part, match the language of Dylan Thomas's screenplay. As Dr. Rock, he packs lecture halls, marshaling students to attention with what resembles a medical call to arms: "I pledge you to adventure; I command you to experiment. Remember that the practice of anatomy is absolutely vital to the progress of medicine. Remember that the progress of medicine is vital to the progress of mankind. And mankind is worth fighting for: killing and lying and dying for."

What about the law? "The law be damned," he storms after receiving a summons for unethical conduct from the medical faculty. "It's not only ridiculous but obsolete. As scientists it is our duty to improve the quality of human life."

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Mendeleovich scores 'Soviet deal'

By JUDY SIEGEL
Jerusalem Post Reporter

Former Prisoner of Zion Yosef Mendeleovich, now active in Russian affairs in Jerusalem, charged yesterday that the American Jewish Congress and that National Conference on Soviet Jewry have met secretly with Soviet representatives and promised to suspend their campaigns for Soviet Jewry in the hope of positive gestures from the USSR.

A founder of the Soviet Jewry Information and Education Center, Mendeleovich, who served nine years in prison for his involvement in the Leningrad hijacking plot, told *The Jerusalem Post* that four meetings were held in a Washington res-

taurant since January between a "reputed KGB man named Yatzkin" and heads of the American Jewish Congress. AIC heads Phil Baum and Henry Siegman, he claimed, took part in some of the meetings.

The Jewish leaders, said Mendeleovich, agreed that they would work for the suspension or cancellation of the Jackson-Vanik amendment that makes U.S. trade with the USSR conditional on freedom of emigration for Soviet Jews.

In exchange, the Soviets would release more Jews. The Russian representative asked for prominent newspaper ads as a signal of agreement, said Mendeleovich, and two advertisements calling for "giving a

chance to the Russians" appeared in *The Los Angeles Times* and *The Washington Post* several months ago.

Mendeleovich stated that he is not against negotiations with the Soviets, but that talks must be conducted after agreement among Jewish organizations on a consistent and clear policy. The two organizations have been lulled into "exaggerated optimism," he said. He added that the National Conference on Soviet Jewry was aware of the AIC initiative and approved of it.

David Clayman, Israel representative of the AIC, told *The Post* he was not aware of the meetings and would check with his organization in New York today.



Municipal workers from Umm el-Fahm demonstrate yesterday outside the Prime Minister's Office in Jerusalem, demanding that Arab local council budgets be treated on an equal footing with Jewish local councils. One sign declares that the next step in their fight will be a hunger strike (Elihu Hama).

Mortgages cause family friction, says Kessar

By AARON SITTNER
Jerusalem Post Reporter

The burden imposed on young families by the "outrageously high" levels of their monthly mortgage payments is leading to "family tragedies, including constant friction between husband and wife and even divorce," according to Histadrut Secretary-General Yisrael Kessar.

Kessar, who met with the newly formed organization of recent mortgage recipients at the weekend, said that for most families with new mortgages - even those with state-assisted housing loans - the monthly payments range between 50 and 70 percent of a family's take-home pay.

Kessar told the organization that the labour federation had asked the government to put a ceiling on mortgage payments - either 30 percent of the average national wage "or even better, 30 percent of the mortgagee's monthly income." He added that despite understandings reached with government officials, "the Treasury is blocking all possible solutions to this painful problem."

The Histadrut chief also charged that "despite the surrender by the workers of part of their wage benefits for the package deals and the new economic programme, mortgages continue to be fully linked to the Consumer Price Index in addition to their prescribed interest rates."

Kessar said he will raise the question of mortgages in his coming meeting with Finance Minister Modai, and if necessary with Prime Minister Peres. He suggested that the organization press Rafael Edri, chairman of the Alignment Knesset faction, to raise the problem at the Knesset so that it could become a political issue.

Yoram Barzilai, director of the Histadrut's Economic Research Institute, said that the real annual rate of interest new mortgage-holders must pay in addition to index linkage has reached 15 percent.

Teller coming for 'Star Wars' seminar

By Aaron Sittner
Jerusalem Post Reporter

Physicist Edward Teller, who was instrumental in developing the hydrogen bomb, is to arrive in Israel this week to participate in a seminar on the U.S. Strategic Defence Initiative in which this country has been invited to participate.

The one-day seminar has been organized by the Institute for Advanced Strategic and Political Studies (IASPS) in cooperation with Tel Aviv University's Institute of Advanced Studies. Prof. Robert Loewenberg, director of IASPS, told *The Jerusalem Post* yesterday that the August 15 meeting at Tel Aviv University will concentrate on exploring Israel's scientific and technological ability to fit into SDI.

Among the subjects to be discussed are the role of high-powered lasers in SDI, and the qualifications of Israeli industry to participate in the programme.

Among the seminar panelists will be Knesset Member Yuval Ne'eman, professor of nuclear physics at Tel Aviv University; Prof. Shaul Yatsiv of the Hebrew University's

Rach Institute of Physics; and Prof. Micha Sharir, chairman of the department of computer sciences at Tel Aviv University.

Loewenberg told *The Post* that such seminars "are necessary to establish the proper context before a political decision is made by the government" on whether or not to accept the U.S. invitation to join SDI, popularly referred to as "Star Wars."

According to Loewenberg, Israeli expertise in robotics and electronic control systems bodes well for Israeli participation in SDI.

Court bars 'emergency' for hospitals

By ILAN CHAIM
Jerusalem Post Reporter

Government hospitals will not be able to return to functioning in an emergency format before Friday, the High Court of Justice ruled yesterday.

The hospitals were ordered to do so last week by the Health Ministry, in an apparent effort to focus attention on the hospital funding crisis. The court extended an interim injunction issued last week barring the ministry from directing its hospitals

to function on Shabbat schedules and to treat only the most urgent cases.

The court postponed dealing with the substance of the petition, which was filed against the ministry by the Histadrut, saying the Histadrut was not actually a party to such a petition.

The justice invited the Histadrut's Kupat Holim Chai health fund to join the petition as an interested party, giving it five days to do so. Only then will the court hear the petition.

Knesset body opposes Mormon centre

By HAIM SHAPIRO
Jerusalem Post Reporter

The Knesset Interior Committee has called on the Mormons to display their "warmth, support and understanding for the Jewish people" by not building a new centre on Mt. Scopus.

The centre, which is already under construction, is opposed by some Jewish groups. They maintain that the building, which is to house the Brigham Young University extension

courses in Israel, will be used as a centre for missionary activities.

The leaders of the Utah-based university have offered a signed undertaking not to use the centre for missionaryizing. But the Knesset committee, headed by MK Dov Shilansky (Likud), has rejected the offer.

In the course of its deliberations, the committee heard numerous opponents of the Mormons, including representatives of many U.S. Christian groups.

Trials of 15 Afula men to begin this week

NAZARETH (Itim). - The trials of 15 Afula residents accused of rioting last week opposite the Afula police station are to begin later this week at the Nazareth Magistrates Court.

Charges have been filed against 16 of the 33 demonstrators held at the end of last week, but one has already confessed and was given a one-year suspended sentence and fined IS25,000.

The demonstrations followed the funerals last week of Afula residents Yosef Elihu and Albert Bukhris, murdered in separate terror attacks. District Police Chief Shaul Levi ordered last Thursday that the rioters be given quick trials to prevent further violent outbreaks in Afula.

A police spokesman for the northern district said yesterday that the hearings of the 15 who have not confessed will be held on separate dates to avoid the congregation of all the defendants' relatives outside the courthouse.

FINES. - IS40 million in fines were imposed on price-gougers in speedy trials during the first 25 days of the economic recovery plan, a spokeswoman for the Ministry of Industry and Trade announced yesterday.

Terrorist bomb defused in Hadera

By DAVID RUDGE
Jerusalem Post Reporter

HAIFA. - A medium-sized bomb was discovered in Hadera yesterday morning at a hitchhiking station on the old road leading to Haifa. Police said it was probably planted by terrorists.

It was found by a passerby who raised the alarm. Police sealed off the area while a sapper defused the charge. The hitchhiking point is used mainly by soldiers.

More than 40 people were later detained for questioning in connection with the incident, police reported.

This was the second bomb in Hadera in the past few weeks. The first went off in the town's main square, damaging a shop window but causing no injury.

There have also been four explosions in the same period in Haifa, two of them outside the district court in the Hader Hacarmel quarter of the city.

The bomb found in Hadera yesterday was larger than the previous ones. Police are investigating a link between the incidents and have urged the public to be alert for suspicious objects.

The spokesman for the Haifa police district, which includes Hadera, said police were "99 per cent sure" that the bombs were planted by terrorists.

He noted that terrorist activity in the district had increased recently after a long quiet period.

Emunah congress to open this evening

By JUDY SIEGEL

Emunah - pressured by the government to reduce or eliminate its social and educational programmes - hopes to raise more funds overseas and consolidate classes so that it will not have to close day-care centres, high schools or vocational courses, the National Religious women's organization said yesterday.

The organization's third world convention is to open this evening in the Jerusalem Theatre and will be addressed by Prime Minister Peres.

Eva Edelman, outgoing world chairman of Emunah, said the last thing the organization would cut is programmes for Ethiopian immigrants. More than 700 Ethiopian children are enrolled at Emunah institutions. Emunah activist Sara Stern-Katan said registration for Emunah day-care centres is complete, but many parents probably will not bring their children next month because they cannot afford the fees, which must still be set by the government.

The theme of the convention, whose regular sessions will take place in the Jewish Agency's Weizmann Hall, is "The Jewish Family in Crisis."

Emunah has 120,000 members in 18 countries, half of them living in Israel.

FESTIVAL. - The third Hebrew Song Festival is to open in Arad today with organizers promising 48 hours of non-stop music and entertainment on 12 stages in various parts of town. There will be 88 shows, most of them outdoors, featuring 700 performers.

Marine Officers Union calls off strike

By DAVID RUDGE

HAIFA. - The Marine Officers Union yesterday called off its strike, which had cost shipping companies more than \$250,000 in losses.

The decision to end the strike was made at the request of the Haifa district labour court, as an alternative to the court's issuing an injunction against the union.

The strike, which began on Friday, was to press the union's demand that shipping companies stop deducting 4.5 per cent from salaries towards an early-retirement fund.

The union maintains that due to the recession in the shipping industry many seamen and officers are leaving the profession. As a result less money will be paid into the fund and there will not be enough to ensure full early-retirement rights for those wishing to take advantage of the scheme.

The Histadrut and the ratings branch of the Seamen's Union favour continuing payments to the fund.

The Shipowners' Association is to meet Histadrut Secretary General Yisrael Kessar today to try to solve the problem. A report on the talks is to be given to the district labour court on Thursday and if no progress has been made a date will be fixed for a hearing.

Haim Cukier, secretary general of the Shipowners' Association, said the strike had been unnecessary in view of the pending negotiations with the Histadrut.

He said the direct loss to shipping firms as a result of the two-day stoppage was more than \$250,000. The indirect losses as a result of timetables being disrupted and the possible effects on customer relations would be even more, he said.

HUC alumni receive honorary degrees

By HAIM SHAPIRO

Five graduates of Hebrew Union College, all of whom were ordained 25 years ago in the U.S., yesterday received honorary doctor of divinity degrees at HUC in Jerusalem.

Four of those honoured live in Israel. They include Rabbi Allan Levine, director of programmes for American Reform Jewish youth in Israel; Rabbi Shalom Liker, a member of Kibbutz Kfar Hamaocabi; Rabbi Reuven Samuels, headmaster of the Leo Baeck School in Haifa; and Rabbi Moshe Zemer, chairman of the Israel Council of Progressive Rabbis.

Also being honoured is Rabbi John Levi, spiritual leader of Temple Beth Emanuel in Melbourne, Australia and vice-president of the World Union for Progressive Judaism.

Convicted man sues to do public service

The High Court of Justice was asked yesterday to order the authorities to show cause why they should not apply to the Tel Aviv district and Dan region a regulation making it possible for persons sentenced to prison to render useful public service instead of serving time in prison.

The applicant also asked the court to order implementation of his sentence postponed until it decides on his request for the order nisi.

The applicant is Ya'acov Meshedi, a fruit and vegetable vendor in the Petah Tikva market, whom the Petah Tikva Magistrates Court sentenced to two months in prison for disturbing the peace.

Meshedi's application is directed mainly against the labour minister, who is authorized to permit service instead of prison in consultation with the justice minister and the Knesset Law Committee. The labour minister has issued the appropriate regulations covering the Jerusalem, Beersheba, Nazareth, Afula, Safad and Rehovot city limits.

The omission of the area in which he lives, the applicant says, constitutes discrimination against him, "arbitrariness and distortion of justice."

Impersonator sent for observation

PETAH TIKVA (Itim). - A man suspected of impersonating his brother to get the contract to operate the local auto pound was sent yesterday by Petah Tikva Magistrates Court Judge Reuven Gili for 10 days' psychiatric observation.

The man allegedly has a criminal record, which he tried to conceal by his impersonation.

Beit Berl programme set for expansion

Jerusalem Post Staff

The Jewish-Arab Institute at Beit Berl is to expand its programme to promote understanding between the two peoples, its chairman, Natan Almosino, announced yesterday.

He added that the Histadrut, which runs Beit Berl, has a responsibility to fight intolerance when citizens are being murdered by Arab terrorists and MK Meir Kahane is exploiting the resultant outrage and fear.

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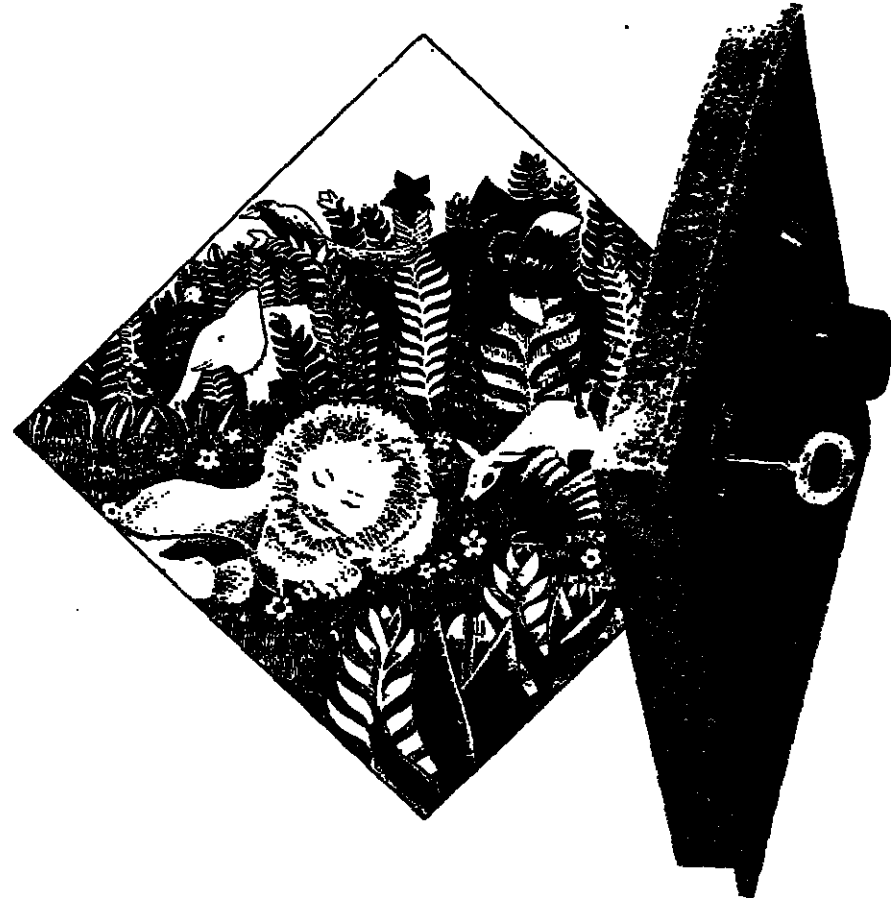
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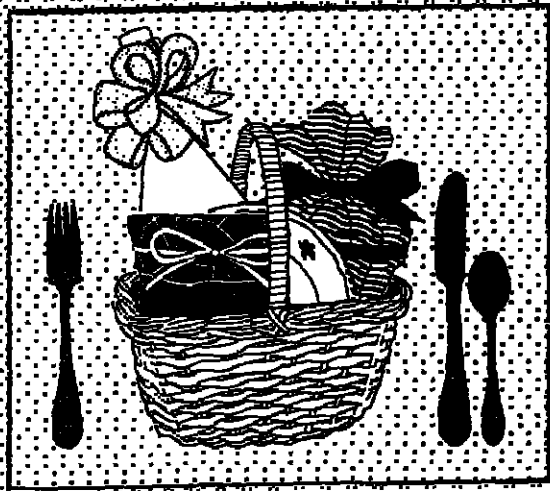
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WORLD NEWS

South Africa's black miners vote to strike Gold, coal industries face paralysis

JOHANNESBURG (Reuters). - Black mineworkers on South Africa's vital gold and coal fields yesterday announced a strike that could severely hurt the country's economy, already under threat of anti-apartheid sanctions from abroad.

A spokesman for the National Union of Mineworkers (NUM) said an all-night meeting attended by about 20,000 members decided overwhelmingly to down tools on August 25 to back wage demands presented to white-owned mines.

She said 230,000 workers were expected to strike at the 29 mines where the NUM is recognized. The union had asked for a 22 per cent across-the-board increase but employers unilaterally granted rises ranging from 14.1 to 19.6 per cent.

NUM general secretary Cyril Ramaphosa told a news conference the union also resolved to boycott white businesses near the mines unless the government lifts within 72 hours the state of emergency it imposed on July 21 in riot-torn areas.

In addition, the union agreed to take retaliatory action if President P.W. Botha implemented a threat he made last week to repatriate foreign black workers if economic sanctions against South Africa are imposed.

The NUM says 40 per cent of its members are from South Africa's black-ruled neighbouring states.

Ramaphosa said the planned strike would be far bigger than a

short walkout last year that involved 64,000 miners.

Asked what he thought the mine owners' response to the strike would be, he said: "The mining houses would commit suicide by dismissing over 200,000 workers."

He said employers could still avert industrial action. They were being given three weeks to make a "realistic offer." He declined to say how long the strike would last if it went ahead.

A protracted dispute could have crippling effects on the gold industry which brings in half of South Africa's foreign currency earnings.

Coal plays a crucial part in generating electricity in South Africa, which faces an unofficial oil embargo and has no crude resources of its own.

The strike has loomed since the union last month turned down a 19 per cent pay rise offer by the Chamber of Mines, dominated by the giant South African conglomerates, Anglo-American and General Mining Corp.

Ramaphosa said the union was sticking to its demand for a 22 per cent raise, down from an original 40 per cent.

The average black miner's wage, by union reckoning, is 350 rands (\$157) a month, plus free food and accommodation in rows of single men's hostels where most black min-

ers live. Black miners on the average earn about one-sixth of the pay of white miners.

The union estimated the strike will cripple 70 per cent of South Africa's 44 gold mines, and one-fifth of the 55 coal mines would also close.

Meanwhile, police continued a crackdown under draconian emergency rules and said yesterday that a total of 1,412 people had been detained, 114 of whom have been released.

A police spokesman reported little unrest overnight. A black woman was seriously injured after being doused with petrol and set on fire at a township in the Eastern Cape province, focus of rioting which has claimed over 500 lives since February last year.

The country's relentless racial strife will be highlighted today when the trial resumes of 16 leading dissidents accused of supporting revolution.

They include most senior leaders of the United Democratic Front, a two-million-strong multiracial organization - the biggest fighting apartheid legally.

The defence team has been deprived of a key member, leading black human-rights lawyer Victoria Mxenge, who was shot dead in the Indian Ocean port city of Durban last week in what government opponents called a political assassination. (Reuters, AP)

Hiroshima: Where hell reigned, flowers bloom

HIROSHIMA (Reuters). - Forty years after it was devastated in the world's first nuclear attack, Hiroshima has blossomed out of ruin and radiation into a thriving city ten times its former size.

What once was scorched terrain strewn with incinerated bodies is covered by gleaming office towers and highways clogged with air-conditioned cars.

Where the fireball cast its glare on August 6, 1945, neon signs now twinkle above a profusion of bars, restaurants, night clubs and discos.

The blast, and the fire and fallout that followed, left a seared landscape where many people believed vegetation could never grow again. But today lovingly tended trees, shrubs and flowers flourish everywhere along broad avenues.

For a present-day Japanese youngster the name Hiroshima brings to mind baseball rather than the bomb. A gourmet might think of oysters instead of atomic anguish.

The city's many parks include a baseball ground which is the home of

the Hiroshima Carp, one of the top teams in Japan. Should you hear the word "Hiroshima" on the lips of a young man in summer, odds are it is the Carp he is talking about.

Out across the bay from Hiroshima the sea is full of oyster beds providing a delicacy that figures on restaurant menus all over Japan.

But the first-time visitor who steps off the train and sees the "Hiroshima" signboard is inevitably filled with thoughts of the slaughter that changed the face of modern war.

An estimated 200,000 people were killed by the two atomic bombs dropped on Hiroshima and Nagasaki in the closing days of World War Two.

The latest official figure of identified victims who died in Hiroshima is 113,271, said Hiroshima city official Fumihiko Kaneda. "This includes those killed on the day and those who succumbed subsequently to radiation and other diseases."

"Every year more names are added to the memorial list as survivors die out."

Nagasaki lists 64,186 identified dead. Tens of thousands more victims in both cities were never identified.

The official count of Hibakusha - those people still alive who survived the two attacks - is now 113,885 for Hiroshima and about 70,000 for Nagasaki. To qualify for a Hibakusha card, and the welfare benefits that go with it, a survivor must prove that he was exposed to blast or radiation.

In both cities, several hundred new people still come forward every year claiming entitlement to survivor benefits.

Most say they kept quiet before because they feared the stigma of being a radiation victim might impair their prospects of employment and their children's chances of marriage. In recent years virtually no survivors have displayed new symptoms of radiation after-effects. Most of the delayed-action diseases like leukemia came to light in the 1950s and 1960s.

Four lost Soldiers Schweik swap their tank for vodka

FRANKFURT (AP). - A crew of Soviet soldiers lost on maneuvers in Czechoslovakia sold their tank to a pub owner for two cases of vodka, and were found sleeping off the liquor in a forest two days later, according to a newspaper account.

The tank was nowhere to be found. Communist authorities later learned that the pub owner had dismantled the tank and sold the pieces to a local metal-recycling centre, the *Frankfurter Allgemeine Zeitung* reported in its weekend edition.

The incident was reported in an article written by Ota Filip, a Czechoslovak emigre author who contributes periodically to the newspaper.

Reached by telephone yesterday at his home in Munich, Filip said the episode occurred during extensive Warsaw Pact maneuvers in Czechoslovakia in the autumn of 1984. He said he learned of it in a letter from reliable sources brought to him by friends three weeks ago.

Filip's story, quoting a report by police in eastern Bohemia province in Czechoslovakia, said investigators found the shell of the tank in the shed behind the pub. The proprietor told authorities he had acquired the tank for 24 bottles of vodka with herring and pickles thrown in "as a gesture of comradeship."

Filip told the AP he did not know what had happened to the pub owner or the soldiers.

California to aid Holocaust museum

LOS ANGELES (AP). - Gov. George Deukmejian has approved \$5 million in state funds for a museum to commemorate the victims of the Holocaust and other massacres of the 20th century.

The bill "puts on record California's recognition of the importance of the lessons of the Holocaust, and its commitment to ensuring that such tragedies never again befall any group of people," said Rabbi Marvin Hier, the dean of the Simon Wiesenthal Centre for Holocaust Studies.

Earlier this year Deukmejian vetoed more than \$4m. for private museums in the proposed budget sent him by the legislature. In his veto messages, he said he was "concerned about the seeming proliferation of appropriations related to museums and exhibitions."

But last Tuesday, he signed a bill providing the Wiesenthal Centre a major boost in its efforts to build the \$35m. Museum of Tolerance which is scheduled to rise in West Los Angeles.

U.S. government accepts Mengele is dead

WASHINGTON (AP). - The U.S. government agrees with Brazilian investigators that Josef Mengele is dead and has ended its active hunt for the Nazi war criminal, the Justice Department told Congress on Friday.

The Justice Department "accepts the conclusion" by scientific investigators that a body exhumed two

months ago near Sao Paulo, is that of Mengele. Neal Sher, head of the department's Office of Special Investigations, told the Senate Judiciary Committee.

Friday's hearing effectively closed the active role that Congress had taken in the hunt for Mengele, the former Auschwitz concentration camp doctor.



Queen mother celebrates 85th

LONDON (Reuters). - Queen Elizabeth the queen mother celebrated her 85th birthday yesterday with a champagne lunch and good wishes from admirers all over the world.

The queen mother, who ranks with Queen Elizabeth and Princess Diana as the most popular member of the royal family, spent the day with her daughters, the queen and Princess Margaret, at Sandringham House in eastern England.

Thousands of well-wishers, some of whom had camped out overnight, gathered in the rain to sing "Happy Birthday" as the royal party left Sandringham Parish Church after the morning service.

Oklahoma town

vacated in bomb scare

CHECOTAH, Oklahoma (Reuters). - Some 5,000 persons were evacuated from this western Oklahoma town yesterday when a military truck carrying 900-kilo bombs collided with a car, turned over, and four bombs exploded.

The driver of the lorry and two persons in the car were injured and admitted to hospital.

The accident occurred 2 kilometres south of town. The explosions shattered plateglass windows in downtown Checotah. Residents within a 6 kilometre radius of the scene of the accident were evacuated and housed in churches, a nursing home and a school.

Philippine constable sentenced in absentia

MANILA (Reuters). - A military court has sentenced a paramilitary constable to 20 years of hard labour in prison for killing a journalist in the central Philippines.

A military spokesman said the constable, who escaped from military detention in May, was sentenced in absentia for the November killing of Walter Sesebrenio, one of 16 Philippine journalists murdered in the last year.



Two young boys wave at a police armoured car doing patrol duty through the township of Alexandria, South Africa. (Reuters telephoto)

34 die in head-on collision involving French express

CAHORS, France (Reuters). - Rescue workers yesterday found 10 more bodies in the tangled wreckage of Saturday's head-on train collision in southwest France, making the death toll at least 34, local authorities said.

A local official said the bodies were found in a carriage that was flattened when a packed holiday express and a local train crashed Saturday afternoon.

Twelve victims had been identified, he said, but most had been burned beyond recognition by a fire which swept through the wreckage. Some 180 people were injured, 29 of them seriously.

Transport Minister Paul Quilès, who visited the site Saturday night, has ordered an immediate inquiry into the cause of the crash, which

occurred on a single track at Flaujac-Gare, about 150 kilometres south-east of Bordeaux.

Railway officials said the accident appeared to have been caused by a human signalling error.

The Paris Express, a weekly train that operates only during the holiday period, was running behind schedule, putting it on a section of the track normally free of other trains.

Local officials said the express was travelling south at about 130 kph when it smashed into the slower northbound local train, whose front car was flattened by the impact.

The weekend stationmaster at the nearby switching station of Assier, which is responsible for manually signalling that section of the track, has been remanded in police custody.

Iraq bombs Iranian oilfield

BAGHDAD (Reuters). - Iraq said yesterday its navy had twice attacked Iran's Nowruz offshore oilfield since early Saturday, hitting an oil pump and two oil wells.

A military spokesman said all the vessels involved returned safely to base.

Iraq's Navy and Air Force have mounted several attacks on the oilfield, which is 110 kilometres south of Bandar Khomeini in the northern Persian Gulf, since the Iran-Iraq war started five years ago.

Iran said three months ago it had capped the Nowruz Five well, which had been blazing since an attack early in 1983. It was the last of three wells damaged in the raid to be capped. Leakage from the wells caused a big pollution scare two

years ago, but the resultant slick has since apparently dispersed. Iraq reported an attack on oil wells and other installations in the Cyrus field further south two weeks ago.

Iraq last night reported one of its warplanes lost in fighting, and Iran said it was the fourth brought down in recent weeks. A late Baghdad communique said the plane was lost in action Saturday but gave no other details.

Iran's Irna news agency, monitored in London, said it was a jet fighter brought down in southwest Khuzestan on the southern war front, where Iraq said on Saturday its aircraft carried out some 57 sorties against Iranian troops.

Games for disabled athletes ban

South Africa

LONDON (Reuters). - South Africa has been banned from an international tournament for disabled athletes "while present circumstances prevail."

The organizers announced "with great regret" that the ban was seen as vital to the survival of the international Stoke Mandeville Games for the Disabled.

But the step did not exclude the South African Sports Association for the Physically Disabled from continued membership in the games federation.

Last week Canada, Zimbabwe, Trinidad and Tobago boycotted the games because of South Africa's apartheid policy.

Robbers ram into shop, steal jewelry, watches

ZURICH (AP). - Robbers used a car to ram open a jewelry store on one of Europe's most elegant shopping streets and drove off early yesterday with loot worth about \$217,000, police said.

The thieves netted gold jewelry and watches in their raid on the Cartier Embassy store on Zurich's Bahnhofstrasse, police said.

According to police, the team fastened a wooden beam in the trunk of the car so it jolted out about a metre, then backed the vehicle battering-ram style into the store entrance.

Police were alerted by the store's alarm, but the robbers escaped.

Terrorist allowed to artificially inseminate wife

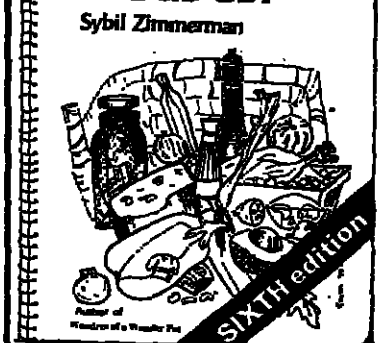
ROME (AP). - An imprisoned former leftist terrorist will be allowed to artificially inseminate his wife, the Ministry of Justice has decided.

Marco Solimano, 33, who belonged to the Front Line terrorist group, asked the government for permission to become a father by means of artificial insemination. It was the first time the government has approved such a request, said Italian press reports last week.

He is serving a 14-year sentence. His wife, Lucia Nicolai, also a former terrorist, was released from prison in February after serving a five-year sentence. The 29-year-old woman will be artificially inseminated in a hospital, the news reports said.

WIRE NETTING The European Commission has decided that the Greek and French governments are violating Common Market competition rules by giving export subsidies to welded wire netting.

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סניף מרכזי

Joint firm to market Teva pharmaceuticals in U.S.

By MACABEE DEAN
Jerusalem Post Reporter

TEL AVIV - Teva Pharmaceutical Industries and an American "multi-national" company recently signed an agreement to set up a joint company in the U.S. to market Teva products.

The name of the multi-national company has not been revealed so far, and no name has yet been given to the joint company. The latter will probably be registered in Delaware.

Teva yesterday said that the joint venture would help deepen its penetration of the American market "which was very hard to crack, not only because the American consumer is highly demanding and choosy, but also because American government regulations of the quality and safety of pharmaceuticals are the strictest in the world." Once a drug is

Your money & your questions

By JOSEPH MORGENTHAU
Jerusalem Post Reporter

Question: Where an American-Israeli in the country since 1967 has bought American securities through an Israeli bank or broker, what must he do when the 20-year period expires?

Answer: At the end of the 20 years, the regulations call for the transfer of the securities to Israel. These may be maintained for an indefinite period and may be sold at the owner's discretion.

Question: Merchants are forbidden to display prices in dollars. Heavy fines are imposed if they do. But with the unstable shekel, this is the only feasible method of quoting prices that do not fluctuate wildly. By what authority do the government ministers and officials give budget figures in dollars, and quote travel tax, a levy not yet approved, a visit to a Kupat Holim doctor, all in dollars?

Answer: Despite the law you cite, most of us do speak in terms of dollars, this because of inability to think in terms of hundreds of thousands, millions, or billions of shekels. Nevertheless, in financial analysis, one must calculate in terms of the shekel and this can create an extra expense. My own Texas pocket calculator had a display which only ran up to 99,000,000, which is equivalent to about \$67,000. Since I must calculate in hundreds of mil-

Index-linked bonds fall badly

The tragic death of "Mickey" Albin cast a gloomy atmosphere on the stock market yesterday, but financial circles said that "although his death influenced some brokers to sell, the downward trend in the free shares was due entirely to other reasons."

One reason given was that the mutual funds have eased off on their buying, since prices of many shares have risen rapidly in July, and these mutual funds would like to see prices drop before they move into the market again heavily.

This source believed that the mutual funds would renew their buying soon, since the public is continuing to buy mutual fund certificates at a fairly rapid rate.

Yesterday's free market (with the single exception of the oil exploration shares) was definitely down, but buyers were found in most cases for the shares offered. Only 34 shares went "sellers only," but less than half this number (16) went "buyers only."

One company that ran strongly against the general trend was Zion Cables, which rose by 9.7%. This company recently reported improved business results; moreover, there are persistent reports that Tadiran is interested in buying it.

The largest declines were among index-linked bonds, which faced severe selling pressure, some of them falling by up to 4.5%, which is a large drop for this type of bond, which is considered one of the most stable elements on the market.

Two distinct factors were given for these falls. First, most of these bonds

MARKET COMMENT

By MACABEE DEAN

have annual yields of only about 5-6%, while other investments have yields of twice and even three times as much (such as dollar-linked bonds and the "arrangement" shares), and are considered just as safe as the index-linked bonds.

The second reason is that many provident funds and advanced-training funds are facing large redemptions by their members and are being forced to sell index-linked bonds to meet these redemptions.

The most stable elements yesterday on the market were the dollar-linked bonds, although the dollar-linked "arrangement" shares fell slightly.

Diamond exports rise

Jerusalem Post Reporter

Diamond exports last month were 20.6 per cent ahead of those of July 1984, the Ministry of Industry and Trade reported yesterday. The comparative figures were \$138.1 million as against \$114.5 million.

Ephraim Raviv, official in charge of the ministry's diamond sector said that sales of polished diamonds overseas during the first six months of this year reached \$719 million, about 13% higher than in the same period in 1984.

MARKET STATISTICS

Indices			
General Share Index	261.36	-1.68%	
Non-Bank Index	307.49	-2.21%	
Arrangement	242.84	-1.41%	
Real Estate	315.13	-4.82%	
Industrial	338.30	-1.34%	
Investment Cos.	273.80	-2.28%	
Oil Exploration	391.37	+0.44%	

Turnovers:			
Shares - total	ISS165.7m.	(ISS407.4m.)	
"Arrangement" IS197.5m.		(ISS191.8m.)	
Non-Bank	ISS368m.	(ISS397.7m.)	
Bonds - Total	ISS3889m.	(ISS3735.3m.)	
Index-linked	ISS202m.	(ISS2493m.)	
Dollar-linked	ISS1866.4m.	(ISS1242.7m.)	
Treasury Bills	ISS1936m.	(ISS 502.3m.)	

Movements:			
Advances	125	(280)	
of which 5% - 54		(23)	
"buyers only"	16	(23)	
Declines	217	(71)	
of which 5% - 83		(23)	
"sellers only"	34	(4)	
Unchanged	86	(111)	
Trading Halt	42	(36)	

"Arrangement" yields:			
IDB reg.	17.00%		
Union 0.1	17.47%		
Discount A	17.59%		
Mizrahi A	17.70%		
Hapoel A	17.79%		
General A	16.31%		
Leumi IS100	17.28%		
Fin. Trade 151	15.31%		

Bond Market Trends:			
4% fully-linked	Falls to 2%, Rises to 5%		
3% fully-linked	Falls to 2%, Rises to 5%		
4.25% fully-linked	Falls to 4.5%		
80% linked	Falls to 4.5%		
Double-linked	Rises to 1.5%, Falls to 4.5%		
Dollar-linked	Slight fluctuations		
Admon	Slight fluctuations		
Rimov	Slight fluctuations		
Gilboa	Falls to 1%, Rises to 3%		
For. Curr.	Slight fluctuations		
denominated	From 7.77% to 9.58%		
Treasury Bills	(monthly yield)		

U.S. trade deficit soars

WASHINGTON (AP) - The U.S. foreign trade deficit, powered by a jump in petroleum imports, surged to \$13.4 billion last month, the second highest on record, the government reported last week.

The Commerce Department said that the merchandise trade deficit - the difference between exports and imports - rose from \$12.7b. in May.

The new flood of red ink came from an 8.1 per cent jump in oil imports and foreign goods such as Japanese cars, which swamped a slight gain in exports.

For the first six months of the year, the deficit totals \$70.7b. Commerce Secretary Malcolm Baldrige has predicted that for all of 1985 the deficit will reach \$140b. to \$150b., far above last year's record of \$123.3b.

The largest single trade deficit - \$4.57b. - was incurred with Japan. It was the highest monthly imbalance on record.

U.S. trading problems are among main causes for the slow U.S. economic growth this year. For the first half of 1985, the economy advanced at only a small 1 per cent annual rate.

Political row holds up Lufthansa shares sale

BONN (Reuters) - A political row has delayed the Bonn government's plan to sell off some of its holdings in Lufthansa, the profitable West German national airline, amid fears that foreign rather than German investors will snap up the shares.

The government had hoped to sell a quarter of Lufthansa by the end of 1985 as part of its policy to cut the state's role in the economy and widen share ownership in companies.

But Chancellor Helmut Kohl's administration failed to take account of determined opposition from both the country's most prominent arch-conservative, Bavarian conservative leader Franz-Josef Strauss, and Lufthansa board chairman Heinz Ruhnau.

"This remarkable alliance between conservative and socialist has so far succeeded in blocking the sale but it won't be able to hold out much longer than next year," an airline analyst at a major German bank told Reuters.

The government plans to reduce its ownership from nearly 80% at present to 55%.

Strauss, whose Christian Social Union (CSU) is a partner in the centre-right government fears foreign investors could build up a 25% blocking minority in the national carrier.

The airline analyst, who asked not to be identified, described Strauss' fears of foreign ownership as exaggerated.

He said the sale would go ahead eventually because the Bavarian leader's concerns were not shared by the rest of the business community or government.

The government plans fresh talks with Strauss in September.

Lufthansa's share sale has become particularly attractive to investors since the airline's profits last year surged to a new high in its 30-year history.

Government sources said the finance ministry has been busy drafting various models of privatization which may overcome Strauss' opposition to the sale.

Two new mutual funds

TEL AVIV - Two new mutual funds are being launched this month by Lahak, the mutual fund management company of the American-Israel Bank (a member of the Bank Hapoalim group).

The first fund, called Kachal, will pay a monthly dividend that will not fall below 1.1% of the nominal value of the units in the fund. Kachal will invest 50% of its funds in "arrangement" shares.

The second fund, Hochit, will invest 75% of its assets in foreign currency linked bonds and the rest in "arrangement" shares.

Shares in Hochit can be purchased from August 4 until 15 at their basic price, and those of Kachal from August 11 to 22 at their basic price.

FOREIGN CURRENCY

INTERBANK SPOT RATES:			
US\$	1.3710/1.3730	per \$	
DM	2.8210/2.8230	per \$	
Dutch G	3.1700/3.1720	per \$	
Swiss FR	2.2160/2.2180	per \$	
Belgian Coa	56.95/57.10	per \$	
French FR	8.5950/8.6150	per \$	
Italian Lire	1891.09/1896.00	per \$	
Yen	237.33/237.50	per \$	
US\$	1.0295/1.0305	per SDR	

FORWARD RATES:			
1m	1.3649/7	2.3087/2	2.8135/4
3m	1.3591/9	2.2935/5	2.7967/0
6m	1.3517/42	2.2749/0	2.7750/0

China and Egypt sign trade accord

PEKING (Reuters) - China and Egypt signed a long-term trade agreement yesterday and undertook to improve economic relations, the New China News Agency said.

It said they agreed to try to maintain a trade balance, but gave no further details.

Trade between the two countries is worth about \$180 million a year, with China importing cotton and exporting rice seedlings, textiles and machinery.

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	PURCHASE	SALE
'DOLLAR PAZ', 1 UNIT	4076.456	4332.313
'EURO PAZ', 1 UNIT	5139.895	5254.147
SDR	1585.472	1574.256

CHEQUES AND BANKNOTES

COUNTRY	CURRENCY	PURCHASE	SALE
U.S.A.	DOLLAR	1460.886	1479.114
GREAT BRITAIN	STERLING	2021.135	2046.354
GERMANY	MARKE	518.228	524.695
FRANCE	FRANC	169.574	171.691
HOLLAND	GULDEN	460.845	466.597
SWITZERLAND	FRANC	632.418	640.309
SWEDEN	KRONA	175.019	177.203
NORWAY	KRONA	176.435	178.637
DENMARK	KRONA	143.688	145.482
FINLAND	MARK	244.458	247.509
CANADA	DOLLAR	1079.738	1093.211
AUSTRALIA	DOLLAR	1045.972	1058.087
SOUTH AFRICA	RAND	658.129	666.341
BELGIUM	FRANC	256.160	259.337
AUSTRIA	SCHILLING	736.704	745.897
ITALY	LIRE	772.138	781.773
JAPAN	YEN	615.368	623.047

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THE JERUSALEM POST

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Inflation's rot

INFLATION, like revolution, devours its sons. Its latest victim is Michael Albin, who leapt to his death rather than suffer exposure through a police investigation.

Albin was one of the few among our many so-called financial wizards who became known to the wider Israeli public. Ordinarily, members of this clan prefer to operate in the shadows, from which they emerge into the limelight only when their house of cards collapses. So long as they are successful, men like Michael Albin would be courted by politicians, sought after as partners by businessmen of substance, and held up by the media as veritable geniuses. It is when failure overtakes them that they become, overnight, mere "financial operators," or worse.

The success of these people has lain in amassing personal and corporate wealth out of the raving inflation that has, for the past decade, eroded not only the currency but the very foundations of society. Their genius manifested itself in the discovery that inflation, which creates no real new wealth, nevertheless provides huge opportunities for a few to get rich quick at the expense of the vast multitude, the gullible and the plain defenceless.

Michael Albin was apparently a talented man. In other times, in other circumstances, he might not have confined his gifts to making money and, through money, achieving power. Money is power, of course, including - as Albin's political involvements show - political power. But real strength lies in the production of real material benefits and in adherence to the ethics of a creative society. Inflation, however, has raised the financial operator to prominence and made him a captain of industry; it has shoved into the background the authors of the wealth - the engineer, the craftsman, the worker and the farmer.

It has equally degraded the values by which people who produce conduct themselves, and substituted for them the norms of those who merely manipulate what others have generated.

It is not only private businessmen like Michael Albin who have succumbed to the temptation of getting rich quickly in these inflationary times by shuffling paper assets. The still continuing police investigation into the financial operations of the United Kibbutz Movement, carried out jointly with private "financial wizards," shows how deeply the rot may already have set in.

Back to the ghetto

A SPECTRE haunts the Chief Rabbinate Council. It is not Meir Kahane spreading the word that the Sages of Israel were unregenerate racists and, at least by implication, Arab haters. On the contrary, what alarms the supreme authority of the official Orthodox establishment is the Education Ministry's plan to step up education in democracy throughout the land by encouraging joint activities by Jewish and Arab youth.

Does the Chief Rabbinate Council doubt that such activities will suffice for the purpose? Not quite. What alarms it is the ministry's specific suggestion for exchanges of visits by Jewish and Arab youth, and "eating by Jewish children at the tables of the Arabs."

On the face of it, this could be a reference to the fact that Arabs do not ordinarily observe kashrut. But neither do all Jews: yet the Chief Rabbinate Council has not so far warned observant Jews in this country against eating at the tables of their negligent brethren. Surely a practical way could be devised to ensure the rights of religious Jewish children taking part in this democracy-promoting programme.

What the venerable rabbis plainly fear is that Jewish boys and girls will be seduced by Arab members of the opposite sexes into eventual marriage. The solution, then, is simple: let young Jews and non-Jews not only not intermix but let them keep happily apart, as in the good old ghetto days in the Galut. And if this goes against the grain of democracy - well, who needs democracy anyway? It is a gentle, not a Jewish concept to begin with.

Nothing, it seems, better illustrates the spiritual bankruptcy of the rabbinical establishment, and its lack of faith in the resilience of Judaism in the resurgent Jewish state, than this opposition to the Education Ministry's idea.

The German question

By C.C. ARONSFELD

A GHOST is abroad in Europe, and its name is The German Question. Have Germany's frontiers been settled for good, or must they remain "open" until their present *de facto* state has been sanctioned *de jure* by a peace treaty that has yet, formally, to end World War II?

After 40 years, it might seem odd to think of "ending" World War II while thoughts of a third are already oppressing men's minds. Yet it is a thoroughly realistic proposition inasmuch as it is seriously and resolutely canvassed by the government of West Germany, one of the strongest partners of the Western alliance.

Chancellor Helmut Kohl left no doubt about it when he appeared before those of his compatriots who had to leave the territories - Silesia, Sudetenland, East Prussia - that were lost in 1945. He insisted that the German Question must remain "open," though it could be resolved "only in collaboration with our Eastern and Western neighbours" and "only through peaceful means."

He made it clear that the open German Question meant Germany was bigger than the present federal republic and that "the last word over greater Germany has not yet been spoken."

While this talk went down well with his audience, they were less pleased by the chancellor's equally emphatic declaration that West Germany had no territorial ambitions on Poland (which "administers" some of the lands).

The Silesians, who consider their exodus tantamount to the Holocaust, had advertised their annual convention under the slogan, "Silesia is Ours," and only with some effort were they prevailed upon to change it to "Silesia remains our future in a Europe of free peoples." Only after this amendment was the chancellor prepared to address them.

Even so, both the Soviets and Poland charged him with "supporting the revanchist idea of the 'temporary character' of current frontiers," as they could see hopes of a secure peace only in an unambiguous acceptance of the existing borders.

HERE LIE the roots of disharmonies that may well prove of greater consequence than the activities of neo-Nazis and Waffen-SS veterans. What is at issue is one of those ideas pregnant with meaning which, in Nietzsche's phrase, walk about on pigeon's feet.

The German Question has been debated at great length in the Bundestag, and Kohl has explained that the core of his policy is not to change frontiers but to remove them "through humanitarianism and understanding with all our Eastern neighbours." He recognizes the territorial integrity and the sovereignty of all states in Europe within their present frontiers, and says the ultimate elimination of frontiers is an "aim we stand passionately devoted to by reason of the experience and history of this century."

Kohl argued his case in a remarkable address at Oxford where he described the European dimension of Germany's partition. He realized that the problem did not at present hold the world's attention but, significantly, he added: "We have not given up; we need patience, ability and resolve...until all Germans are granted, in a peaceful process, the right to self-determination."

This policy commands broadly the support of his parliament, but the thought of a restoration of Germany within the frontiers of 1937 is dismissed as an illusion. Former chancellor Willy Brandt, for example, will have none of it. According to Brandt, the stationing of U.S. missiles on German soil is enough to perpetuate the partition of Germany; all that can be done is to stress what the two parts have in common, "despite and within the division." Beyond that, he believes it is simply "schizophrenia" not to realize that the fear of a complete Germany always existed; it was certainly "older than the Hitler challenge."

The trouble is, others say, Germans have never come to terms with the fact that they are placed in the centre of Europe, where they can easily become domineering. Therefore renunciation of some territory was inevitable, and the leader of the opposition Social Democratic Party, Helmut Vogel, has warned against attempts to discredit "renunciation politicians" because that kind of

NOR IS IT only these quarters that need to be watched. Others, too, feel strongly about what they consider a denial of the right of self-determination.

The president of the official All-German Institute in Bonn, Dr. Kühn, believes it is the denial of German aspirations that is creating in Germany the danger of an exaggerated nationalism, which "some people abroad even now think they must fear."

For Germans, he says, it would be a "limitless disappointment" and one that might "alienate them from democracy" if they were to feel that they had been abandoned by the Western democracies in their quest for a solution to their national problems. This would also enable the Communists to gain an influence that is otherwise "beyond their dreams."

The prestigious *Frankfurter Allgemeine Zeitung* has sounded a warning to both East and West against the "dangerous assumption" of a "German reality" concerned

Suddenly a crisis of identity is being detected among those young Germans who were reared as Europeans but now discover that they are nothing if not Germans, with everything that the word 'German' implies.

propaganda was reviving one of the most destructive devices from the arsenal of Nazi and far-right nationalist demagoguery of the Weimar Republic.

Indeed the "renunciation of territory" was consistently pilloried in Hitler's campaign. In flagrant disregard of the fact that no responsible statesman of the Weimar period ever accepted the then frontiers as final, he accused successive German governments of pursuing a "policy of compliance," which he branded as rank treason.

"Renunciation of territory" (*Verzicht*, as it is called again) was denounced by him as the policy of yielding to pressure by "the enemy." The politicians whom he considered responsible for this policy should be hanged, he said, and some (Erzberger and Rathenau) were accordingly murdered.

ECHOES OF THIS type of sentiment, albeit in a low key, can already be heard. "Renunciation of territory" is fast becoming a familiar slogan on the far right and beyond, where the policy of "sell-out" is derided as "surrender to opportunism," "licking the boots of the victors." Germans, it is said, can no more renounce Silesia than Austria can South Tyrol or, in 1871, France could Alsace-Lorraine.

The question is how much appeal such views can have in the country at large. Most of the big, internationally known papers oppose them. But, as in the Weimar Republic, it is the smaller, provincial fry that may prove to be more representative.

Kohl, at all events, was sufficiently embarrassed by dissidents to warn against the possible rise of a militant nationalism, which might even manifest itself in a new far-right party. And there are fears that if the organizations of expellees are antagonized they might well supply a radical vote that could unsettle the present democratic balance.

READERS' LETTERS

HOUSING FOR IMMIGRANTS

To the Editor of *The Jerusalem Post*: Sir, - While agreeing with every single point raised in the letter from Joe Wernick and Ira Cohen of the AACI (July 22), I would like to add something that they and David Levy did not mention.

My sister and I are new immigrants. We share a two-and-a-half-room apartment. According to the Ministry of Absorption, being sisters means our apartment must be cheaper than apartments rented to other immigrants. Our rent subsidy for this month was IS32,000 each, i.e. IS64,000 between us and not the IS100,000 that two friends sharing would receive. The reason for this is that we are classed as a family according to the Ministry of Absorption and therefore receive an allowance as a family.

However, according to the Ministry of Housing, we are not a family. We are two single sisters and therefore not eligible for the subsidy provided for families by them.

I now realize that for most new immigrants now entering the country, it is practically impossible to

purchase an apartment in any of the large cities unless they have a great deal of money. We are therefore forced to pay exorbitant rents, linked to a currency which is not the official currency of the country, when our salaries are not linked to this same currency. It is very annoying to know that the "dead" money paid out for rent would certainly be enough to pay off a mortgage. But because we have no money to add as a deposit, there is no way we can obtain a mortgage. Even if we could obtain a large down payment, how many of us are able to find the five guarantors, who must be Israelis, on a good salary, and prepared to show their pay slips to the Ministry of Absorption.

After only two years here, I have not developed enough *chutzpa* to ask friends to guarantee that I pay back a large sum of money linked to the dollar. The state of the economy at the moment does not encourage people to be that good. I know I'll pay. They can't be sure.

JOAN GREENBERG
Tel Aviv.

TOO MUCH ROCK

To the Editor of *The Jerusalem Post*: Sir, - Some people think the Broadcasting Authority was wrong not to treat us to the 16-hour rock marathon recently held in order, ostensibly, to benefit the starving in East Africa.

I believe that what is called rock music is generally degraded and degrading. We Israelis have already suffered too much degradation lately, politically, economically, and culturally. We do not need any more, certainly not 16 hours of overpaid

performers advertising themselves in the name of a humanitarian cause. Many people believe that there is already too much rock on our TV, not too little as another *Post* reader would have it.

Whether the Broadcasting Authority mercifully let us forego the monstrous marathon because of a low budget, or for reasons of taste, they deserve, in this instance, our thanks.

BEN ABRAHAM
Jerusalem.

Dry Bones



welcome the "European idea" because of what they regard as the exhaustion of the U.S. This, they feel, must cause changes in the present (especially military) arrangements made "in totally different circumstances" a generation ago.

The U.S. "umbrella over Europe" is deprecated as a negative, corrupting influence, and Henry Kissinger is quoted as having spoken of a "demoralization of the Western alliance," even if, officially, America's commitment to the protection of Europe is reaffirmed.

In any case, the changes that are perceived in the flow of events appear to be favouring opportunities for Germany, especially a better understanding of this need for a "reunification policy as the Germans' historical imperative." Even French public opinion might give its blessing to this, despite acknowledged fears that German patriotism could turn out to be an agent of anti-Western nationalism.

UPON THIS assessment of a reorientation of Western strategy in the sense of diminishing (if continuing) U.S. control and allowing greater responsibility to the Europeans, German nationalists sense the prospects for an "independent German policy"; at the very least an increasing German ascendancy.

While the U.S. is treated as amenable to the nationalist scheme, nothing is said about the stand likely to be taken by the Soviet Union. It does not seem to be regarded as an urgent consideration, and past performance will not necessarily disprove the assumption.

German-Russian deals, after all, are not without precedent. For the time being, it appears sufficient for German nationalists to anticipate a development which, it is frankly admitted, will "compromise the results of World War II on a European scale" and "raise to the ground the post-war order."

There would then be an end to "the murderous mortgage of a constant confrontation with the past" - i.e. Hitler's crimes would be sunk in the general flow of German history, leaving it a little muddled perhaps but otherwise not very different from other people's history - which would be the purpose of the exercise.

In a recent publication, *Mut zur Geschichte* ("Courage to History," 1983), revisionist historian Helmut Diwald attacks those who seek to describe German history in terms of "a criminal process."

According to Diwald, since 1945 Germans have been living in anticipation of their "redemption." It might take a long time, he says, but one of the greatest dangers is for the abnormal to be eventually regarded as normal. He cautions his countrymen to remember that "a nation which allows itself to be robbed of its past, allows its memories to be distorted and allows its self-respect to be mutilated, tears up the roots of its existence" because "the virtue of defeated nations is not resignation but patience."

Much the same ideas are canvassed by a colleague of Diwald, Prof. Bernard Williams, who in his book *Die*

Deutsche Nation ("The German Nation," 1982), endeavours to create what a neo-Nazi reviewer called "a fundamental consensus on the restoration of the nation as a whole," including "German" Austria.

If this perhaps seems a remote prospect, some of the "revisionists" are encouraged by the experience of the Poles who, "having for over 100 years been a 'nation of the will,' eventually did regain their existence as a 'nation in being'."

WHILE THESE ideas have long been prevalent on the far right and beyond, more recently they have spread to the opposite end of the political spectrum. A "patriotism of the left" has sprung up and "national revolutionaries" have set out to "save peace - unite Germany," as one of their slogans puts it.

In fact, it is said that what begins as a peace movement must end as a unity movement. Germany must be emancipated from "the atomic cudgel of the superpowers." The implied new German patriotism, or nationalism, wants to do away with the colonial dependence in which the divided nation finds itself; they want no truck with "America, Nato, the Warsaw Pact and Yalta," and, as on the right, demands are made for an end to German self-castigation, so they plead for a "national uprising" - the slogan used by the Nazis in 1933 - that will turn the tables by indicting "the crimes committed by the others."

More especially, they denounce the cultural surrender to the U.S. Germany, they say, must throw off the yoke of an alien civilization, a demand which corresponds with the far right's cultural war on the American way of life. There is considerable justification for the claim that the German peace movement carries a will to bring about change on a revolutionary scale.

They have already been warned against a "relapse into nationalist thought." In a book entitled *Zurück zur Nation?* ("Back to the Nation?" 1984), a supporter of the peace movement who is associated with the trade unions, Prof. Arno Klönne, a disciple of Martin Niemöller, the anti-Nazi churchman, asks those of the left who are rediscovering the "national question" whether they really mean to "aid and abet sentiments that ultimately can benefit only those political forces which care neither for democracy nor for the left."

If a "revolutionary" change is contemplated, if for the sake of peace, "foreign rule" is to be removed, then, Klönne says, in terms of political ideas, a specific German "third" way must be found.

This would involve abandoning the Western political model, so as to enable East Germany to separate from the Eastern ideology, and aim at a third, "German constitution of society." Other "revolutionary changes" may well result in a revision not only of frontiers but also of much of the character of the Hitler war.

The writer, a freelance journalist in London, specializes in Jewish affairs, anti-Semitism, Nazi history and modern German politics.

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